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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF JANUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of January, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Paul Wartelle (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: James H. Wilson; Cindy Coe, McCutchen, Doyle, Brown & Enersen and Leo E. Borregard, Consultant to the Agency.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of November 28, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of December 5, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Staff has advertised for construction bids for repair of Pier 36 with additional Invitation for Bid being sent to a list of minority subcontractors. Bids will be received and opened on January 25, 1990. The repairs are expected to cost about \$2 million and are expected to be completed by July of 1990. The purpose of the repair is to restore the strength of the Pier, built in 1909, so that Service Engineering Company may relocate its ship repair operation from Pier 40, thereby freeing that Pier for the programmed uses in Rincon Point-South Beach Redevelopment Plan. Relocation of Service Engineering Company, and funding a

replacement facility was a condition of our leasing Pier 40 from the Port. The Board of Supervisors approved this item on July 24, 1989.

- (b) The Commissioners have been informed by Matthew Witte of Reliance Development Company of a public seminar to be held on January 31 with all architects doing work in Yerba Buena Center.
- (c) The Commissioners have been provided with the proposed boundaries for the South of Market Earthquake Recovery Survey Area which have been developed in conjunction with the Community and City Planning staff. The final boundaries will be determined at a later time.
- (d) It is proposed to bring to the Commission, a resolution for a boundary for the South Bayshore survey area for transmission to the Board of Supervisors. In order to be able to spend money for this project, it must be made a redevelopment area. It is hoped that the New Bayview Committee will be supportive.

Mr. Wartelle arrived at this time, 4:20 p.m.

- (e) The Commissioners have been provided with informational material in preparation for a seminar to be held on Economic Development 1:00 to 6:00 p.m. on January 12. David Kirkpatrick is proposed as the Facilitator and he will meet with each Commissioner prior to the seminar.

At Mr. Wartelle's request, it was agreed that the date be changed from January 12 to January 19.

- (f) Wilbert Battle joined Agency staff today as Community Liaison Officer.

At Ms. Tsen's request, it was agreed a tour be scheduled for the Commissioners of the South of Market Earthquake Recovery area on January 9.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested a breakdown of projects that have been provided by the Agency and the Mayor's Office of Housing under the Tax Increment Housing Program and Mr. Helfeld indicated this information would be provided to the Commission.
- (b) At Mr. Bagot's request, Helen Sause, Project Director, Yerba Buena Center, reported on the status of the Marriott Hotel's hiring program and indicated monthly reports received from Marriott would be provided to the Commission.

Mr. Bagot requested a copy of response to the Chinese for Affirmative Action letter to Marriott dated December 12, 1989, and Mr. Helfeld indicated this would be provided to the Commission.
NEW BUSINESS

(a) ELECTION OF OFFICERS

The Agency's By-laws require that an annual election of President and Vice President be held at the last regular meeting of the year or the first meeting of the new year or at a regular or special meeting held in January or February. The terms will be from January 1, 1990 to December 31, 1990.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT MR. KING BE ELECTED PRESIDENT.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT MR. BAGOT BE ELECTED VICE PRESIDENT.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Ninth Amendment to the Legal Services Agreement with McCutchen, Doyle, Brown & Enersen in connection with All Redevelopment Project Areas. This law firm has been providing outstanding services to the Agency since 1979 and recently successfully concluded a settlement of the \$7.6 million claim of Riedel International and a smaller related claim of Valentine Corporation in connection with the South Beach Harbor. They are presently handling a law suit against Winzler & Kelly and its Cross-Complaint against the Agency for which a January 29, 1990 trial date has been set. Billings have reflected the voluminous hours spent in trial preparation and \$18,000 in funds remain. However, a \$42,000 billing is being held pending approval of the proposed amendment which: increases the amount payable by \$150,000 for a total contract amount of \$775,000 and increases the hourly rates. The Commission have been provided with information on the current and proposed rates, as well as details of the firm's affirmative action program.

Cindy Coe, McCutchen, Doyle, Brown & Enersen, reported on the firm's affirmative action program.

The Commissioners commended the McCutchen firm on the high level of minority hiring and their desire that efforts continue to improve the affirmative action program.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Personal Services Contract with Leo E. Borregard for part-time legal services through March 1990 in an amount not to exceed \$32,500 plus related expenses. In anticipation of Mr. Borregard's retirement on December 29, interim contracts were entered into with two of three legal staff members who will begin full-time employment in early January 1990. However, there has been insufficient time for them to become fully knowledgeable of the Agency's legal program and the complex matters involved with several major projects.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 2-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d, which commends and expresses appreciation to James H. Wilson upon the occasion of his retirement from the Agency. Mr. Wilson has served the Agency since January 1973 in various capacities, most recently as Project Director for the Western Addition A-2, Hunters Point and the India Basin Industrial Park. He applied his skills with great dedication until his retirement on December 29, 1989. This opportunity is taken to wish Mr. Wilson the best of health and success in his future endeavors.

Mr. Wilson noted that his tenure with the Agency had been a rewarding experience and thanked the Commission for the commendation.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which commends and expresses appreciation to Robin Donoghue. Since her employment in February 1985, Ms. Donoghue has been a key part of the Agency legal staff and handled all her assignments most efficiently and in an excellent manner. This opportunity is taken to wish Ms. Donoghue the best of health and success in her future endeavors.

Leo Borregard, on behalf of Ms. Donoghue, thanked the Commission for the commendation.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-90 BE ADOPTED.

- (f) Discussion and consideration of an Economic Development Workshop.

Mr. Helfeld noted that this item had already been covered under the Report of the Executive Director.

President King announced that at the request of outside Agency Counsel, there would be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Wenzler & Kelly Consulting Engineers, et al.

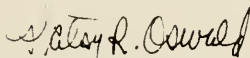
There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation and a Closed Session on Personnel. The meeting adjourned at 4:45 p.m.

Minutes of a Regular Meeting, January 2, 1990

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: January 23, 1990



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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF JANUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 2:00 o'clock p.m. on the 9th day of January, 1990, the place and date duly established for the holding of such a meeting. The meeting was then moved to Sixth and Stevenson Streets in the City of San Francisco.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Gary Kitahata
Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Sue Bierman, City Planning Commission; Tom Jones, Mayor's Office; Al Williams and Sharon Poledri, Olympia & York; Charline McCain, Sixth Street Merchants Association; Tricia James, South of Market Business Association; Jane Herzog; Dino di Donata, South of Market Problem Solving Council; and John Elberling, Tenants and Owners Corporation.

Representing the press was: Gerald Adams, San Francisco Examiner.

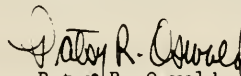
NEW BUSINESS

Mr. Helfeld noted that the purpose of the meeting was to tour the proposed South of Market Earthquake Recovery Survey Area. Mr. Elberling moderated the tour, which was partly a walking tour and partly a bus tour and answered questions from the Commissioners and the public.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:45 p.m. p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

PROVED: March 6, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF JANUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of January, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig. G. Mardikian

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MAR 6 1990

and the following was absent:

Gary Kitahata (Arrived 4:10 p.m.)
V. Fei Tsen
Paul Wartelle (Arrived 4:15 p.m.)

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The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Derf Butler, Rosalynn Domino, and George R. Brown, Western Addition Residents (W.A.R.); Ace Washington, WAPAC; Randall Evans; Richard Tapp and Jack Tam, Tram 7 International; Emery Rogers, Emery Rogers & Associates; John T. Jorec; Steve Leonoudakis and Al Schlarmann, Fourth & Harrison Associates, Inc; Eric Schifferli, Prometheus Development Company; Inc; and Nicholas Dempsey, Cala Foods.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of November 7, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried, that the minutes of the Closed Session of November 14, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried the the minutes of the Closed Session of November 28, 1989, as distributed by mail to the Commissioners, be approved.

Mr. Kitahata arrived at this time, 4:10 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Commissioners have just returned from a Special Meeting during which they toured the proposed South of Market Earthquake Recovery Survey Area.

Mr. Bagot noted that he was encouraged and excited by the tour and pleased with the number of South of Market organizations that expressed support. He indicated he believes redevelopment is a big part of the answer, especially for preservation of the SRO's and retention and creation of jobs and an emergency area is needed quickly.

Mr. King noted that he concurred with Mr. Bagot's comments and that there is a need to move quickly.

Mr. Helfeld noted that what has been exceptional is the stimulus of support coming from the South of Market Problem Solving Council (SOMPSC) which represents many groups in the community. The program also has the support of the Deputy Mayor for Housing.

- (b) There has been a request to update the status of the walkways in the Fillmore Center. It is suggested discussion on this item be held until Ms. Tsen is present.

REPORT OF THE VICE PRESIDENT

Mr. Bagot requested information on the following:

- (a) Whether the Commissioners would be provided with reading material prior to the Workshop on Economic Development to be held on January 19.

Mr. Helfeld indicated it was his understanding that Mr. Kirkpatrick, the Facilitator, would be providing such material to the Commissioners.

Mr. Wartelle arrived at this time, 4:15 p.m.

- (b) The status of Parcel 1100-T in the Western Addition A-2 regarding which a letter had been received from Brett Gladstone.

Gene Suttle, Senior Deputy Executive Director, indicated that the present drawings suggest the need for a density variance, however, negotiations are in progress which are independent of staff.

NEW BUSINESS

- (a) Mr. Helfeld reported on item (a), the purpose of which is to report on the status of discussions with Fourth and Harrison Associates regarding the proposed development of a parcel located

at the northeasterly corner of Fourth and Harrison Streets in Yerba Buena Center. On December 12, 1989 the Commission conceptually approved the Developer's request to change his proposed development from a hotel and supermarket to a 175-unit residential condominium development above a ground floor supermarket and drug store. At the same meeting approval was granted to extend the date for submission of Preliminary Construction Documents for the hotel from December 20, 1989 to January 2, 1990. In addition, the Commission directed staff to continue discussions on the new proposal with the Developer. At the December 19 meeting, because of the Agency's commitment to the South of Market community to provide a supermarket on the parcel, staff recommended increasing the security deposit to \$500,000 as liquidated damages if the LDA is terminated due to the Developer's non-performance. In addition, staff proposed the deposit be retained for ten years after opening of the supermarket and rolled over into a special account after issuance of the Agency's Certificate of Completion. In the event of failure of the supermarket, the Agency would be able to draw on this deposit for refixturing the space and seek a new supermarket operator. Rather than the Agency retain the deposit, the Developer proposes to substitute this arrangement with an "iron-clad" guarantee by the supermarket operator for operation of the supermarket for the first ten years of the lease. Staff continues to recommend retention of the deposit as a source of funds in the event the supermarket operator decides not to operate the facility.

Steve Leonoudakis, Fourth and Harrison Associates, Inc., indicated he had met with staff in an effort to resolve the differences, however, he was still opposed to the \$500,000 being retained by the Agency for ten years after the opening of the supermarket. In substitution, a credit-worthy tenant has been secured who will sign a 25 year lease with a number of options and guarantees for continued operation of the supermarket.

Nicholas Dempsey, Cala Foods, indicated he felt the ten year guarantee to operate the supermarket should be sufficient and he believed it would be successful. Cala is willing to operate the supermarket but not at the risk of jeopardizing the affordability of the project. He noted his concern at the possibility that another supermarket could open at a nearby location on Agency-owned property and he would like a guarantee in the LDA this will not be permitted.

After a discussion between the Commissioners, the Developer and Staff, the Commission instructed staff to: study the language in the lease offered by Cala; continue to negotiate with the Developer; and return to the Commission with a recommendation.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Personal Services Contract in an amount of \$12,950 with Art Effects for Design, Production and Installation of Picture Frames for two Aaron Miller Murals at 1426 Fillmore Street in the Western Addition A-2. Prior to demolition in 1974 of The Emmanuel Church

of God in Christ, which was located at 1540 Post Street, it contained 14 large murals painted by a local black artist, Aaron Miller, all of which were considered to be worthy of retention. With the assistance of the San Francisco Museum of Modern Art (SFMA), and a result of great effort on the part of the Agency, two murals were removed from the Church before its demolition and placed in storage. In 1988, the murals were installed and restored in the lobby of the Western Commercial Partnership Office Building and the building owner has assured that the murals will be in permanent public ownership and display by donating them as a gift to the San Francisco Art Commission. Based upon a recommendation from the SFMA and the De Young Museum, Coe Studios were selected to produce the frames for the murals, however, due to an increased workload, the firm withdrew and it is proposed Art Effects, a team member of Coe Studios, fabricate and install pictures frames for the two murals. Because of the relatively small amount of this contract, Art Effects has requested a waiver of any requirement that it obtain professional liability insurance. Given the minimal risk that the framing process will damage the murals, it is proposed to comply with this request.

Ace Washington, WAPAC, noted his approval of the selection of Art Effects to perform the work.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), the purpose of which is to discuss a Draft Six-month Work Plan for the Agency's new Housing Production Management Division.

Bill Rumpf, Chief of Housing, made a presentation of the Work Plan and its priorities.

The Commissioners noted their concerns regarding: land banking in order to have site and development control to use for housing; financing for home ownership; affirmative marketing and whether developers can legally be required to keep population statistics; preservation of HUD Housing; rent and vacancy control; and appraised values.

Mr. Rumpf indicated he would report back to the Commission on their concerns.

The Commissioners commended Mr. Rumpf on the report.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Derf Butler distributed a letter to the Commission from Western Addition Residents addressed to Bob Davis of Fillmore Center Associates noting concerns that he feels need to be addressed. Mr. Butler indicated Mr. Davis would provide a reply in writing on January 12. He requested Wilburt Battle, Agency Community

Liaison Officer, work with the community. He requested the community concerns be an agenda item.

President King indicated staff will investigate and report back to the Commission, after which Mr. Butler will be informed when this matter is to be on the agenda.

- (b) Randall Evans noted his concern that Richard Szeto of Western Commercial Partnership is not hiring community residents and requested Mr. Szeto be requested to deal with the Ella Hill Hutch Community Center.

President King indicated staff will investigate and report to the Commission.

- (c) Ace Washington, WAPAC, requested that WAPAC be able to address Commission at a future date.

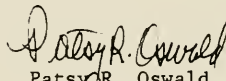
President King indicated that now the Agency has a new legal staff, he would like them to advise the Commission on WAPAC's rights to recognition by the Agency.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the east side of Third between Hunt and Masset Place, East Block 2, in Yerba Buena Center. The Agency negotiator may negotiate with the San Francisco Museum of Modern Art.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 5:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 6, 1990

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF JANUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 8:00 o'clock a.m. on the 16th day of January, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

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and the following was absent:

V. Fei Tsen

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor, Housing and Neighborhoods; and Al Borvice, Housing Development and Neighborhood Preservation Corporation.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to expend \$2 million for an Affordable Housing Landbanking Program to Housing Development and Neighborhood Preservation Corporation (HDNPC). The \$10 million City-wide Affordable Housing Program, which is jointly administered by the Agency and the Mayor's Office of Housing, includes \$2 million for Affordable Housing Landbanking Funds which will be used in the acquisition of vacant sites or sites which are presently in non-residential use that can be developed as affordable housing. The Mayor's Office of Housing has received an application from HDNPC to acquire 101 Valencia Street which contains an existing brick building and vacant parcels. The present owner, the Salvation Army, has accepted an offer from HDNPC of \$3.8 million which is scheduled to close escrow on January 16, 1990. It is planned to construct between 125 and 180 condominium units and convert the existing brick building to low-income housing or live/work space. The condominiums will be for first-time buyers and 62 percent of the units will be designated affordable with the balance to be market-rate. The units will meet the affordability guidelines of the Agency's Mission Statement and will be sold at prices affordable up to 12 percent of area median income with average prices affordable to 100 percent of the area median income. Financing will be provided by Tax Increment Funds of \$2 million and a Seller Take-back loan of \$1.8 million. Prior to expenditure

Minutes of a Special Meeting, January 16, 1990

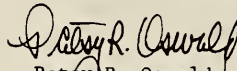
of funds, the Commission needs to make a determination that proposed \$2 million expenditure to HDNPC for acquisition of 101 Valencia Street for the development of affordable housing is consistent with the California Community Redevelopment Law and with the Agency's Housing Policy.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 6-90 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:40 a.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: March 6, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF JANUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of January, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Haig G. Mardikian
V. Fei Tsen

and the following were absent:

Gary Kitahata (Arrived 4:20 p.m.)
Paul Wartelle (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Sue Hestor, Friends of Yerba Buena Gardens; Jerry Allen, Executive Director, Yerba Buena Gardens Cultural Center; Michaela Cassidy, Treasurer, Yerba Buena Gardens Cultural Center; Carrie Lung and Rick Wiederhorn, Port of San Francisco; Rick Mariano, Chairperson, Citizens Advisory Committee for Rincon Point-South Beach; and Arnold Townsend.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of December 19, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of November 21, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of December 5, 1989, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) At a Special Meeting today the Commission approved a \$2 million loan to Housing Development and Neighborhood Preservation Corporation to assist in the acquisition of 101 Valencia as part of the Affordable Housing Landbanking Program. Staff will keep the Commission advised of this development as events occur.

Mr. Kitahata and Mr. Wartelle arrived at this time, 4:20 p.m.

- (b) The Commission has requested a report on the walkways in Fillmore Center.

Edmund Ong, Chief of Architecture, indicated that there had been demolition of public improvements constructed by the Agency during the construction process of Webster Street Towers with the understanding that the developer would replace those elements. Subsequently, the developer requested the Agency to consider a different design concept which has been reviewed and found acceptable by staff, subject to the satisfactory resolution of certain design concerns. If everything proceeds smoothly, it is anticipated that it will take six months for completion of the arcade and walkways.

President King noted his concern at the unsafe condition of the walkways and indicated that temporary repairs must be made without delay.

Ms. Tsen indicated that staff has been working diligently with the developer and inquired regarding the outstanding issues and time frame.

Mr. Ong indicated that now that the basic design concept has been submitted, discussions can proceed on the detailed design. A meeting is scheduled for January 17.

President King requested that at the January 17 meeting staff find a resolution to alleviate the unsafe condition of the walkways.

Mr. Helfeld indicated that staff would ensure the situation is rectified immediately and a report made to the Commission at the January 23 meeting.

REPORT OF THE VICE PRESIDENT

Mr. Bagot requested information on:

- (a) A letter received from John Elberling of TODCO requesting a loan for a clinic in the South of Market.
- (b) A staff memorandum regarding toxics on Site K in Rincon Point-South Beach.

Mr. Helfeld indicated reports would be made to the Commission on both of these subjects.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Second Amendment which provides for an additional amount of \$135,819 to the Interim Funding Agreement with the Operating Board for the Yerba Buena Gardens Cultural Center in Yerba Buena Center. In September 1989 an Interim Funding Agreement was authorized which allowed the Board to hire Jerry Allen as the new Executive Director. It is anticipated that it will take an additional month to complete the Agreement and during this period it is necessary to continue to fund the activities of the Operating Board. The amendment will cover the cost of establishing an office in an Agency-owned building at 211 Brannan Street and the purchase and installation of office and computer equipment. The monies will also be used for advertising and promotion of the Cultural Center, in which connection the Board plans to retain a public relations and marketing firm. The funds will be reimbursed from lease revenues from the Marriott Hotel. This is an advance to the Board who will continue to report monthly on the status of expenditures.

Sue Hestor, Friends of Yerba Buena Gardens, noted her concern that although her meetings have been held with Mitchell-Giurgola, staff and the community, there has been no resolution of issues between Jerde and Giurgola on design and no progress is being made. She urged the Commission to get involved in finding a resolution and requested all consultant work stop for a few weeks while a full accounting is made of every consultant contract that has been authorized in connection with the Gardens.

Ms. Tsen indicated that the Commission has been working diligently to resolve the Gardens issues and had wanted to have adequate time for community input. She noted there would be a public hearing in two weeks.

President King instructed staff to provide the information on consultants to Ms. Hestor and the Commission. He indicated that the Commission is instructing the negotiating team in Closed Sessions.

Ms. Hestor indicated that she objects to discussions taking place in Closed Sessions and President King noted that the process is legal.

Michaela Cassidy, Treasurer, Yerba Buena Gardens Cultural Board, requested approval of item (a) and indicated the principal reason for asking for this extension of funds is to give the Agency's new attorney time to review the issues. She also noted that there have only been two consultants retained by the Operating Board.

Arnold Townsend noted concern about minority and black involvement as he felt that people in the minority arts community might not be aware of what is happening.

Minutes of a Regular Meeting, January 16, 1990

Ms. Berk indicated that it is the local community that has had the input. There has been good participation by the various ethnic communities in the arts program and it is the establishment (who the Board is hoping to get money from) that did not realize this was going on and has not been involved as much as the local community. The Commission also shares Ms. Hestor's frustrations and hopes that by getting the cultural program going, it will help propel the YBC program forward.

President King indicated that a list of members of the Board, which is representative of the entire community, would be provided to Arnold Townsend and to the Commission.

Mr. Wartelle inquired regarding the estimated annual operating budget and Mr. Helfeld indicated this information would be provided to the Commission.

Jerry Allen, Executive Director, Yerba Buena Gardens Cultural Center, named a number of minority members of the Board and indicated it is planned to hire minority staff members.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 7-90 BE ADOPTED.

President King indicated there would be a recess. The meeting recessed at 5:05 p.m. and reconvened at 5:20 p.m. with the same roll call.

- (b) Frank Cannizzaro, Rincon Point-South Beach, introduced item (b), which is a workshop to provide a status report on financing and planning activities for the South Beach Harbor in Rincon Point-South Beach. Staff has researched several concerns expressed by the Commission regarding the financial status and development for the harbor and has concluded that: commencing in 1996, and for a three year period, revenues and available cash in the bank will be insufficient to meet debt service for the harbor bonds; additional revenues will be required to meet this shortfall which can be provided by revenues from the public sector from additional development opportunities on Pier 40 or by infusion of public funds; unless substantial subsidies are infused into the project or the terms of the letter of credit modified, the Agency will not be able to meet the debt coverage requirements of the letter of credit and the bonds; the original financing plan for South Beach Harbor included a significant revenue component from Pier 40; a mixed use facility on Pier 40 which includes a hotel use would provide an economically attractive offering package. There would be significant public benefit through recreational and waterfront access opportunities, and substantial ground rent and tax increment to the Agency; use of the South Beach Harbor including Pier 40 for commercial and recreational uses is consistent with currently effective master plans/strategies of BCDC, the Planning Department and the Port.

Minutes of a Regular Meeting, January 16, 1990

Robert Gamble, Deputy Executive Director, Finance, reported on the financial status of the harbor and indicated that he will be negotiating with the bank regarding the letter of credit.

Rick Wiederhorn and Carrie Lung, representing the Port of San Francisco, indicated that at this time a citizens group is planning to place an initiative on the November ballot to ban hotels on the waterfront.

Following a discussion between the Commissioners and staff, the Commission instructed staff to draft a Request for Proposals that does not specify a hotel use only and includes public access, design and economic development. The Commission further instructed staff to explore ways to reduce costs and seek other funding sources for the harbor.

Mr. Cannizzaro introduced Rick Mariano, Chairperson, Citizens Advisory Committee for Rincon Point-South Beach, who indicated the Committee had passed a motion to proceed with the RFP process with a hotel to be included as one of the allowable uses.

(c) Workshop on Economic Development

It was the consensus of the Commission that the Workshop on Economic Development be continued indefinitely.

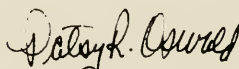
President King announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or persons with whom the Agency negotiator may negotiate is YBG Associates.

There will be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 13, 1990

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SAN FRANCISCO
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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF JANUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of January, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Buck Bagot, Vice President
- Charlotte Berk
- Gary Kitahata
- Haig G. Mardikian

and the following was absent:

- V. Fei Tsen (Arrived 4:20 p.m.)
- Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: David Oster, Jones, Hall, Hall & White; Ace Washington, WAPAC; Randall Evans; Derf Butler; Kevin Norris; Allen Louis; Brad Munck; Katherine Nash; Kristi Wachter; Richard Tapp; Rick Graham; and Ocie Rogers.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of January 2, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Pursuant to a discussion at the January 16 meeting on the status of the walkways in the Fillmore Center, Edmund Ong, Chief of Architecture, reported that a meeting had been held with the Developer's Design Architects and it appears at best it will be six to eight weeks before completion of construction of permanent improvements. Since that was not acceptable, an interim solution is proposed to do some re-grading and drainage work to alleviate the unsafe conditions. Work on the interim improvements will start the week of January 29 and will take approximately one week.

- (b) Mr. Bagot has requested a status report on a request of John Elberling's group regarding elderly day care and there is a need to see how it would be funded. Robert Gamble, Deputy Executive Director, Finance, is reviewing the matter and will report to the Commission next week. This would also require approval of the Board of Supervisors.

Ms. Tsen arrived at this time, 4:20 p.m.

- (c) A community meeting was held last week with Joseph Skiffer to resolve design concerns and a report will be made on the status of the development.

Shirley Wysinger, Assistant Community Development Specialist, described the background of the development and reported on the meeting held with the developer and the community. Mr. Skiffer presented modified drawings which he indicates will eliminate the need for height and density variances. Staff will review the modified drawings and report to the Commission. It is hoped to bring an LDA before the Commission for consideration in early March.

The Commission inquired if WANA's concerns had been responded to and if there are any other issues. Ms. Wysinger indicated that she believed Mr. Skiffer had made every effort to address WANA's concerns and Mr. Helfeld indicated that WANA's proposal included reducing the number of units and slimming the building and that staff is reviewing Mr. Skiffer's drawings.

President King indicated staff needs to take a position and Mr. Helfeld indicated that staff will make a firm recommendation to the Commission.

- (d) With regard to the South of Market Earthquake Recovery Plan, the Commissioners have been provided with a letter from the South of Market Problem Solving Council (SOMPSC) wherein they requested boundaries for an emergency redevelopment project for the South of Market area. Supervisor Walker introduced a resolution at a meeting of the Board of Supervisors on January 22 which will be going before the Earthquake Committee on February 7. A proposed timing schedule for the South of Market Earthquake Recovery Plan Adoption has been provided to the Commission. Staff is arranging for a Joint Hearing Commission to review objectives and later, the Redevelopment Plan.
- (e) The Commissioners have been provided with a resolution from the Citizens Advisory Committee for Rincon Point-South Beach in connection with the Pier 40 issue.
- (f) There was a request from Mr. Bagot, as the result of a request from a citizen, for an update on all consultants the Agency has hired in connection with Yerba Buena Gardens and this information has been provided to the Commission and will be mailed to the citizen.
- (g) Mr. Helfeld reported on the current status of the Loan Program in Bayview Plaza in the India Basin Industrial Park, the noted major objective of which was to provide entrepreneurial opportunities for neighborhood residents. As a result, the Commission approved a loan program. A memorandum has been provided to the Commission on the

Minutes of a Regular Meeting, January 23, 1990

- (h) The Commission has been provided with a memorandum from Mr. Kitahata regarding changes in administrative procedures which staff proposes to implement.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot referred to a hearing to be held at 2:00 p.m. on January 25 of the Overnight Committee to consider policies and procedures followed by the Mayor's Office of Business and Economic Development and the Mayor's Office of Housing and Neighborhoods regarding the disbursement of economic and housing loans to members of the community. This item will be introduced by Supervisor Kennedy.

Mr. Helfeld indicated that Agency staff will attend the hearing and report back.

- (b) Mr. Bagot referred to a memorandum regarding 1426 Fillmore Street in the Western Addition A-2 and affirmative action hiring of residents and minorities at the time tenant improvements are being made.

David Madway, Agency General Counsel, indicated that the legal staff is investigating how that would apply to the Agency in light of the Richmond case and that he will report to the Commission regarding this matter at a later date.

Ms. Berk requested that the Executive Director's Report items be listed on the published agenda so that the Commission and the public would be informed of those items to be discussed.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to advertise a Contract for Demolition and Site Clearance of 1714-1718 Laguna Street in the Western Addition A-2. The building, one of two separate structures situated on a single parcel which the Agency plans to have developed in the future, is a three-story, wood-frame building containing three vacant residential units. The other building, located at 1694-1698 Sutter Street, is partially occupied and has not posed any significant management problems. It is therefore proposed to postpone plans for its demolition until there are definite plans in place for development of the parcel. Demolition of the subject building on Laguna Street will relieve the Agency of the serious liability associated with its maintenance because it has been repeatedly victimized by vandalism, fire, illegal entry and unauthorized occupation, all of which create problems for residents living in adjacent buildings. In addition, neither of the buildings have significant historical or architectural merit and are economically infeasible to rehabilitate. By letter dated December 7, 1989, staff advised several neighborhood leaders of plans to demolish the building. To date, verbal and written concurrences have been received and no objections have been raised. The cost for demolition and site clearance is estimated at \$15,000.

The following persons requested approval of the subject item: Brad Munck; Allen Louie; Kevin Norris; and Ace Washington, WAPAC.

Ms. Tsen conditioned her approval on the number of housing units to be developed being equal to the number of those demolished and requested a status report on the site be made as plans for the development proceed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 8-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b) which requests authorization of continuing Exclusive Negotiations until April 25, 1990 with Fillmore Market Place Associates for the development of a parcel located on the west side of Webster Street between Eddy and Ellis Streets in the Western Addition A-2. The developer proposes to construct 142 condominiums and has submitted preliminary schematic drawings which staff has reviewed with the Developer's architects. It is believed the design concerns which have been raised can be successfully addressed and a more developed schematic design presented to the Commission at the same time as consideration of the LDA. A revised Community Benefits Program totalling approximately \$725,000 has been submitted consisting of: \$700,000 for low-income housing; and a \$25,000 contribution to a local community group or non-profit organization. In addition, the benefits program includes a contribution of significant staff time to assist a local community group or a non-profit organization to develop a facility or housing development. The developer would involve such a group in the development process from pre-development work through construction and sales with the purpose of training the group to do their own development in the future. The developer proposes to provide 28 units at a reduced cost and has requested the land attributable to these units be written down to zero. It is estimated that an Agency contribution of at least \$1 million will be necessary so that low-income families can purchase these units. Staff is reviewing the proposal to determine whether a land write-down of approximately \$420,000, with the Developer paying the Agency \$1.7 million, is appropriate in this case. Additional time is needed to complete LDA negotiations and reach agreement regarding the Community Benefits Program.

The following persons requested approval of item (b): Derf Butler; Ace Washington, WAPAC; and Randall Evans.

Ace Washington requested the same information the Commissioners received regarding Parcels 732-A and 732-B. He further requested that the Agency recognize WAPAC.

Ms. Tsen indicated that, in fact, all non-confidential material sent to the Commissioners is available to the public.

Mr. Kitahata requested a more thorough analysis of the Community Benefits Program.

Ms. Tsen noted she is a property owner within the vicinity of Parcel 732 and requested a legal opinion from Agency General Counsel to determine whether a conflict of interest exists. Until then, she elected to abstain from voting on this item.

Ms. Tsen requested that staff review the policy, procedure and/or practice of appraising land values and Mr. Helfeld indicated that a report would be made to the Commissioners on this subject.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 9-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests approval of a Thrift Store Land Use by Goodwill Industries in the Bayview Plaza Commercial Center in the India Basin Industrial Park. Commission approval is required for each specific retail and business services land use within the India Basin Industrial Park. A number of land uses have been previously approved totalling approximately 57,000 of the 89,000 square foot plaza.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 10-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests approval of Revision of Bond Documents for St. Francis Place in Yerba Buena Center. In September 1989, bond documents were approved providing for the financing of St. Francis Place and the Agency's Bond Counsel is now recommending minor technical changes in the bond indenture which will permit the bonds to be rated.

David Oster, Jones, Hall, Hill & White, described the changes to the Bond Documents and responded to questions from the Commissioners.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-90 BE ADOPTED.

REPORT OF THE VICE PRESIDENT (continued)

Mr. Bagot indicated that together with Ms. Tsen and Tom Conrad, Chief, Planning, Housing and Programming, he had met with the citizens of the Bernal Heights East and South Slopes Neighborhood Committee and as a result of that meeting a modification to the resolution adopted last year will be brought to the Commission for action at the January 30 meeting.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington spoke on several items regarding the Western Addition.

Minutes of a Regular Meeting, January 23, 1990

President King announced that there would be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The Property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate is YBG Associates.

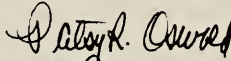
At the request of Agency General Counsel, there will also be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Redevelopment Agency of the City and County of San Francisco v. Winzler & Kelly Consulting Engineers, et al.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to Closed Sessions on Real Property Negotiations, Litigation and Personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 20, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF JANUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of January, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
V. Fei Tsen
Paul Wartelle

and the following was absent:

Haig G. Mardikian (Arrived 4:15 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Faheem Hameed, Urban Economic Development Corporation; Rick Mariano and Stephen Taber, Rincon Point-South Beach Citizens Advisory Committee; Jerry F. Schimmel and Norma Planiczka, Bernal Heights East and South Slope Neighborhood Committee; Eugene Hanshaw, Kui V. Gan, Pauline Warner, Elizabeth Boardman, Jim Tinloy, Paula Tah, Jack Casford-Board, Joseph Mignola and Adele Corvin; North and South of Market Adult Day Health; Ace Washington, WAPAC; Gretchen Meinke; Dino di Donato, South of Market Problem Solving Council; Brian McWilliams, Representative of ILWU and Rincon Point-South Beach Citizens Advisory Committee; Essie Collins; Derf Butler; Barry Chamberlain; Joyce Ream, San Francisco Commission on Aging; John Elberling, TODCO; and August Stanford.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of December 12, 1989, as distributed by the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of December 12, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of December 19, 1989, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of January 2, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The status of the City-wide Housing Tax Increment Program: The Loan Committee had approved \$2.5 million in loans for three projects totalling 137 units for special needs population under the Rental Housing Acquisition and Rehabilitation Program. Conard House will acquire and rehabilitate 77 units in the Midori Hotel as single-room occupancy units for very low-income housing for the mentally ill, as well as the El Dorado Hotel of some 57 units. Also, the Mission Housing Development Corporation and the Women's Alcohol Center will acquire and rehabilitate a two-unit building for a residential treatment facility for up to six crack-addicted women and their babies. The Commission will be requested to approve these loans at the meeting of February 6, 1990.

The Agency closed escrow last week and acquired the parcel on Van Ness Avenue for the Progress Foundation's twelve-unit development.

Mr. Bagot noted that this is the kind of development the Agency is supposed to be doing.

- (b) South Beach Harbor, Rincon Point-South Beach: A package of material has been given to the Commission regarding discussions on Pier 40. Mr. Kitahata noted he wanted to add to the discussions: (1) the original financial projections for the development activities that took place; and (2) the participants in the 1986 financing. He also inquired about the Bulkhead Building and Mr. Helfeld noted that a letter had been sent to BCDC requesting an extension and suggesting that, with Commission approval, an incentive payment in the amount that it would cost the Agency to tear the building down be offered to anybody who wanted to move it to an appropriate location.

Mr. Bagot requested that staff consult with Kim Jackson of Local 2 regarding language to be included in the Agency's RFP about neutrality and labor organizations in any hotel that might be developed in the area.

Mr. Helfeld requested that the remaining items on the Director's Report be taken up at the end of the agenda.

Mr. Mardikian arrived at this time, 4:15 p.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to request expenditure authority from the Board of Supervisors for

\$135,500 to enable the North and South of Market Adult Day Health Facility to move into Mendelsohn House in Yerba Buena Center. The North/South of Market Adult Day Health Program is a small, nonprofit organization that serves 200 elderly people each year in a program which is an alternative to institutionalization in a nursing home. The Center provides skilled nursing and social work services to clients who are mostly single people in their eighties and about 60 percent belong to ethnic minorities. The Center is currently located in the Tenderloin in a building that was yellow tagged following the October 17 earthquake and has inappropriate space without direct light or heat. In addition, the area is heavily trafficked and the vans that transport the elderly are forced to operate without a safe passenger loading area. The Center has received a grant of \$125,000 from the Mayor's Office of Community Development; a \$50,000 grant from the Cowell Foundation and \$40,000 from other contributors. The proposed expenditure of \$135,500 will make possible the completion of the interim space at Mendelsohn House and provide equipment and furnishings. This service will benefit the elderly residents of the immediate area. Funds are available from excess tax increment bond proceeds which use requires approval of the Board of Supervisors.

The following persons spoke in favor of item (a): Joyce Ream, San Francisco Commission on Aging; Adele Corvin; Joseph Mignola, Pauline Warner; Eugene Hanshaw; Elizabeth Boardman, Wayne Albin, North and South of Market Day Health; Dino di Donato, South of Market Problem Solving Council; and John Elberling, TODCO.

Ms. Tsen, Ms. Berk and Mr. Wartelle noted their support of this item.

Mr. Kitahata noted that this program is exemplary, but indicated staff analysis was not clear and, as a matter of policy, a loan should be considered first, an equity grant second and then a grant.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Small Business Loan from the Approved India Basin Small Business Loan and Investment Program in an amount not to exceed \$100,000 to Willie and Mary Ratcliff dba: Ratcliff Family Restaurant, to establish a buffet restaurant in the Bayview Plaza in the India Basin Industrial Park. In November 1989, \$434,000 was authorized for the Loan Program which is intended to provide below-market rate interest loans to qualified business enterprises to establish or expand business in the Project Area. The loan has been approved by the Mayor's Office of Business and Economic Development and its Loan Administration Committee, subject to provision by the Ratcliffs of: a signed leasehold improvement contract for \$383,000 for tenant and landlord improvements to the restaurant space to serve as additional security for the loan; and a signed lease agreement from the Developer. In addition, no

funds are to be disbursed until the Ratcliffs submit evidence of cash equity in the amount of \$30,000. The \$100,000 loan funds will be used to purchase restaurant equipment. The restaurant will have a seating capacity of 164. In addition to serving a daily buffet, it will have take-out and catering services and will be the only buffet restaurant of its kind for miles around. There will be eleven employees, all of whom will be hired from the 94124 zip code area.

August Stanford, Ace Washington, WAPAC; and Faheem Hameed, Urban Economic Development Corporation; noted their support of this item.

Mr. Wartelle noted, and Ms. Tsen and Mr. King concurred, that this loan was approved on its merits and not because of any political considerations. It was stated that all loan proposals would be scrutinized and only those with good business plans would be approved.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-90 BE APPROVED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Small Business Loan from the Approved India Basin Small Business Loan and Investment Program in an amount not to exceed \$80,000 to Loretta Marie Whittle dba: Yogurt Expressions, to establish a retail yogurt shop in the Bayview Plaza Shopping Center in the India Basin Industrial Park. This loan is being requested under the same program as described under item (b) and has been approved by the Mayor's Office of Business and Economic Development and its Loan Administration Committee. Details of the Loan Committee's conditions and pro forma have been provided to the Commission. The loan funds will be used to: purchase equipment, \$55,000; pay tenant's portion of leasehold improvements, \$20,000; and \$4,500 for working capital. Ms. Whittle is a native of San Francisco and has lived in the Bayview community for 30 years and the business will operate as a corporation with family members being the other investors. It is anticipated one full-time employee and one part-time employee will be hired from the Bayview community.

Mr. Kitahata indicated he was concerned that the Agency was directly providing loans. He suggested that the program be suspended and that the Agency persuade institutions to do the lending.

Ms. Berk responded that such an approach has worked in the area of home mortgages, but has not worked for small businesses trying to obtain loans.

Mr. King also disagreed with Mr. Kitahata and noted that he did not believe that institutions would provide loans to areas that had previously been red-lined.

Mr. Helfeld suggested that the Agency take a "parallel track" by continuing the program while also investigating other sources.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-90 BE APPROVED.

- (d) Mr. Helfeld introduced item (d), which requests approval of a Specialty Food Service Land Use for Yogurt Expressions in the Bayview Plaza Commercial Center in the India Basin Industrial Park. Commission approval is required for each specific retail and business services land use within the India Basin Industrial Park. A number of land uses have been previously approved totalling approximately 57,800 square feet of the 89,000 square foot plaza.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-90 BE APPROVED.

- (e) Mr. Helfeld introduced item (e), which requests consideration of a request from the Rincon Point-South Beach Citizens Advisory Committee (CAC) for staff to undertake studies of the area surrounding the Project Area for the purpose of creating additional housing development opportunities in an expanded project area.

Rick Mariano, Chairman of the Rincon Point-South Beach Citizens Advisory Committee; Brian McWilliams, Representative of ILWU and CAC; and Stephen Taber, CAC; spoke concerning the proposed survey of the area to locate additional sites to develop low and moderate-income housing and to create a balanced and integrated community.

After a discussion between the Commissioners regarding the possibility of a ballpark in the vicinity of the study, the following motion was adopted:

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THIS ITEM WOULD BE CONTINUED FOR TWO WEEKS.

- (f) Mr. Helfeld introduced item (f), which requests approval of an Amendment to the Policy Resolution No. 295-89 relating to future actions within the Bernal Heights East and South Slopes Survey Area. The Bernal Heights East and South Slopes Neighborhood Committee has requested that certain modifications be made to the subject resolution which was adopted by the Agency Commission on December 5, 1989. Following a large community meeting on December 21, 1989, the Neighborhood Committee requested that certain modifications be made to the policy, specifically relating to the community's participation, adoption and agreement to an Affirmative Affordable Housing Production Plan and Community Plan for Bernal Heights. In addition, it was proposed to distinguish the Agency's role from that of the City in implementing the Community Plan, to benefit all residents of Bernal Heights.

Commissioners Bagot and Tsen subsequently met with the Committee and endorse the proposed modifications with the understanding that the fiscal condition of the City and County is problematic because of the recent earthquake; that cost sharing must be a factor in this program; and that affordable housing is a major factor in any activity undertaken by the Commission. If approved, the amended policy statement will be transmitted to the Mayor and the Board of Supervisors together with the Final Revitalization Feasibility Report for consideration.

Norma Planiczka, Bernal Heights East and South Slope Neighborhood Committee, urged approval of this item.

Mr. Wartelle noted his potential conflict of interest because he lives within a certain distance of the project area and indicated he would abstain from voting on this item.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED, WITH MR. WARTELLE ABSTAINING, THAT RESOLUTION NO. 16-89 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests approval of a modification to the Audit Contract with Peat, Marwick and Main, which increases the amount payable by \$6,000, for completion of the Agency's 1988-1989 audit. The auditor's billings have exceeded the original contract amount of \$33,334. Since this is a result of inadequacies in the Agency's automated reporting capabilities and an expansion of reporting requirements to comply with accounting standards adopted for public agencies, the overbilling is considered justified.

In reply to Mr. Kitahata's inquiry, Mr. Gamble noted that the problem was major not minor. The entire financial system needs to be replaced and it will take two years from now to complete the process.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization to amend Annual Salary Resolution No. 144-89 and the Agency's 1989-1990 New Appropriations Budget. A new classification of Financial Operations Manager is proposed, effective March 31, 1990, which would replace the current Finance Director and Controller positions which will be vacant as of February 28 and March 31, 1990 respectively. The appointee to the new classification would serve as the second position in the Finance Division, reporting to the Deputy Executive Director, Finance.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-90 BE ADOPTED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (c) Leamon Abrams has been appointed to the position of Chief of Economic Development beginning February 1, 1990.
- (d) A Joint Meeting between the Redevelopment and the Planning Commissions is scheduled for February 14 at 4:00 p.m., 7th Floor Conference Room, for a workshop on the South of Market Earthquake Recovery Area. There is another workshop scheduled in March and then a Joint Redevelopment Commission/Board of Supervisors Public Meeting and action on the Redevelopment Plan in April. There is a difference of opinion between the staff of the Redevelopment Agency and staff of the City Planning Department. A report will be made to the Commission in that regard. It would appear that the Planning Department and the Commission is seeking all conditional use and permit review and if the Agency so desires, would permit the Agency design review and that is their ongoing negotiating position.

Mr. Kitahata indicated it was his understanding that the Redevelopment Agency had priority over design approval and the permit process in a redevelopment project area and that it was not a question of negotiation. Mr. Madway, Agency General Counsel, noted that as he read the law, the Agency Commission would have to take the final action on all matters. If the Commission decide to observe the Planning Commission's recommendation or its vote, and essentially adopt the same position, the Commission is probably free to do that. But the Agency Commission cannot delegate their responsibility under State law to the Planning Commission.

Mr. Bagot requested more information on what authority the Commission would really be giving.

- (e) On February 22, from 5:00 to 9:00 p.m., there is an opening celebration at Museum Parc which is the new condominium development in Yerba Buena Center.
- (f) The Agency submitted seven reports on earthquake damaged properties. Six have been acted on and, generally, the smaller items have been fine. On the large items, they are giving us about 10 cents or 15 cents on the dollar. The Agency will be joining with the City to ask for reconsideration, particularly on the Williams Building. It is going to cost \$1 million to \$1.5 million and they have offered us \$43,000.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Essie Collins suggested that there be a policy on the \$5 million for economic development and requested that a workshop be held.
- (b) Ace Washington noted several requests and concerns and President King noted that they would be taken under consideration.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real

Minutes of a Regular Meeting, January 30, 1990

property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center. The persons or person with whom the Agency negotiator may negotiate with is YBG Associates.

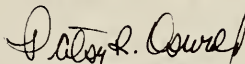
There will be a Closed Session pursuant to Government Code Section 54957.6 to instruct the Agency's designated representative regarding certain mandatory subjects related to labor agreements.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations; a Closed Session regarding Labor Agreements; and a Closed Session on Personnel. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", is written over the typed name.

Patsy R. Oswald
Agency Secretary

APPROVED: March 13, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF FEBRUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of February, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian

and the following were absent:

V. Fei Tsen (Arrived 4:17 p.m.)
Paul Wartelle (Arrived 4:10 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Katherine Nash; Rainbow/WANA; Ace Washington, WAPAC; Ken Kinnard and Dwight Kinnard; P & K Trucking; Zenophon Abrahams, Urban Economics; and Bud Purcell, Glenridge R/C.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of January 9, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Leamon Abrams joined the Agency on February 1 as the Chief of Economic Development.

Mr. Wartelle arrived at this time, 4:10 p.m.

- (b) Regarding the Housing Program, the Agency has completed a Notice of Funds Availability for rental housing in new construction. The City-wide Housing Program has been broken down into a number of categories and next week this will be forwarded to the Commissioners. It ties in very well with the action of the State Department of Housing which has announced that Proposition 84 bond funds are available now with an application deadline of March 2 and funding can be coordinated with that deadline. The Agency

would like to get as much leverage out of the Tax Increment Fund as possible with the Proposition 84 State funds.

- (c) With reference to a letter, a copy of which has been provided to the Commission, from Ron Zeff of the Trammel Crow Co., which was sent to the Bay Guardian clarifying his private development was not the Agency's project and pointed out the significant amount of funds he was contributing to affordable housing off-site.
- (d) The Commission has been provided with an updated Forward Calendar that takes the most significant or controversial elements of the Agency's program with target dates for presentation to the Commission and discussion of workshops.
- (e) There will be a workshop on Yerba Buena Center on February 13, 1990.
- (f) The Commission has been provided with a letter from Rudy Nothenberg, CAO, which emphasizes his timetable in the public undertakings of the gardens and the cultural buildings that the Agency not have any extended period when the construction does not proceed when he finishes the Moscone Convention Center roof which will be approximately March 1991.
- (g) Regarding the report to the Commission on YBC consultants that the Agency has utilized, those fees listed are since 1977 -- 13 years during which there was much community discussion on various aspects of YBC that related to economics, appraisals, market studies and cultural analysis. The overwhelming amount of these funds, particularly the design funds, are to build what has to be built. Some funds have been for alternative designs that have come about partly because of community requests or input and partly because of positions of the developer.

Mr. Wartelle inquired if the additional fees are related to the Moscone Convention Center expansion.

Mr. Helfeld indicated that a great deal of staff and architects' time has been spent trying to adjust to the whole Moscone situation.

Ms. Tsen arrived at this time, 4:17 p.m.

- (h) An Economic Development Conference, sponsored by the San Francisco African American Community, will be held February 9-11. Registration is open to the general public.
- (i) The Commissioners have been provided with a letter from the Bay Conservation and Development Commission which gives the Agency an extension until August 20, 1990 regarding the Pier 42 Bulkhead Building issue.
- (j) With regard to Bayview Plaza, there was some suggestion that rents in the Plaza were somewhat high. After an internal study, staff

wanted to verify this with Laventhol & Howath and, as the report indicates, indeed the rents are quite comparable.

NEW BUSINESS

- (a) Robert Gamble, Deputy Executive Director, introduced item (a), the Agency's 1990-1991 Budget, noting the principal figures and explaining the approval process. The schedule, according to Mr. Gamble involves another Commission hearing next week for further inquiries by the Commission and members of the public and then action by the Commission at the February 20 meeting. The budget must be forwarded to the Mayor's Office by March 1, 1990.

Mr. Bagot requested that notices of the budget hearings be sent to a wider range of individuals and community organizations.

Mr. Wartelle requested that staff break down the costs of each project with regard to budget projections at next week's Commission meeting.

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Private Development by GSI Holdings for the purchase and development of Parcel S-6 located at the southwesterly corner of Newcomb Avenue at La Salle Avenue in Hunters Point.

President King opened the Public Hearing to hear any persons interested in this matter.

Mr. Helfeld introduced item (b), which requests authorization of an LDA with GSI Holdings for the development of Parcel S-6 located at the southwesterly corner of Newcomb Avenue at La Salle Avenue in Hunters Point. It is requested that this item be continued to the meeting of February 27, 1990.

There being no persons wishing to appear in connection with this matter, the President declared that the Public Hearing would be continued to February 27, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 20-90, WOULD BE CONTINUED TO THE MEETING OF FEBRUARY 27, 1990, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of an extension of Exclusive Negotiations, until March 7, 1990, Robert Upton and Berri McBride, acting as General Partners for Summit Partners for the development of Parcel EE-2 located at the southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point. Exclusive Negotiations were authorized in August 1988, following the public of the parcel for single-family housing. It is proposed to build 27 units of affordable housing and the Developer has negotiated the terms of the affordability program with Agency staff. The extension currently proposed will

allow time for completion of the LDA and its execution by the Developer, submission of an affirmative action program, and publication of a public hearing notice regarding consideration by the Commission of an LDA.

At Ms. Tsen's request for a status report, Robert Upton stated that they were close to finalizing the LDA and his projection was that it would take another week to ten days to wrap things up.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an extension of Exclusive Negotiations, until May 26, 1990, with Harbor View Investment, Inc. for the development of Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center. In October 1989, Exclusive Negotiations were authorized for the development of a 25,200 sq. ft. commercial site. Since the last extension in December 1989, the Developer has submitted revisions to the basic concept drawings which address many of the design concerns that has been raised by Agency staff. Staff has determined that it would be useful for the Developer to continue work on integrating the off-street parking with the development. The Developer is also in the process of investigating the possibility of incorporating some live/work space in the development. The requested extension will provide time to complete these assessments as well as to finalize the LDA.

Ms. Tsen requested a status report from the developer and Debbie Trautman indicated that she was attending the meeting as a representative of the developer, requested a thirty day extension but could not provide details as to the status of the project.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 22-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Fifth Amendment, which increases the Agency Construction Budget and makes other changes, to the Record Architect Agreement with Robinson, Mills and Williams in connection with Yerba Buena Center.
- (f) Mr. Helfeld introduced item (f), which requests authorization of a Fourth Amendment, which increases the Agency Construction Budget and makes other changes, to the Architecture Agreement with James Stewart Polshek and Partners in connection with Yerba Buena Center.

The budget amendments are necessary for the following reasons: (1) premiums from building over the Moscone Center Expansion (MCE) have increased the cost of the Visual Arts Center (VAC) and the Theater by a total of \$2,466,000 due to the presence of long-span, occupied exhibit space and its associated mechanical systems immediately beneath the two Agency buildings; (2) sitework and

landscaping originally budgeted separately from the buildings' budgets now need to be transferred in the amount of \$640,000 for the VAC and \$800,000 for the Theater; and (3) the Cultural Operating Board has requested \$145,000 in changes to the VAC following its review of the preliminary construction documents to include an enlarged box office, an enlarged conference room, potential redesign of the openings of the forum to the Esplanade, or other changes agreed to by the Board and architect. Agency staff believes that \$160,000 of the amount needed for each building can be made up by design refinements during the preparation of final construction documents, and will so instruct the architects. The remaining increases in 1992 total project costs of \$2,243,000 for the VAC and \$1,488,000 for the Theater would be funded by transfers of the cultural site improvement funds of \$2,234,000; \$235,000 received from the MCE; \$316,000 in project contingency funds; and \$856,000 from the Esplanade program due to the reduction of the deck and conservatory which took place last Spring. The proposed construction budget increases and other changes to the architectural agreements are necessary to achieve the quality and usability of the cultural buildings expected by the community and are within the Agency's total budget for Yerba Buena Gardens.

William Carney, Staff Architect, responded to questions regarding contract amendments and cost breakdowns. A discussion ensued between the Commissioners and Staff regarding the amendments, with Commissioners emphasizing project cost caps and espousing a commitment to project quality even if there is a need to reduce the program.

Ms. Tsen requested a summary of the project costs that includes a design cost breakdown and estimates of the cost of the public gardens.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 23-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 24-90, BE ADOPTED.

- (g) Jack Robertson, Development Specialist, introduced item (g), which requests authorization of a \$1,114,157 loan to Conard House, Inc. for the acquisition and rehabilitation of the Midori Hotel, located at 240 Hyde Street, as approved by the Loan Committee. The loan would be made through the Rental Housing Acquisition and Rehabilitation Program (RHARP) under the new City-wide Tax Increment Housing Program. The 77-unit Midori Hotel, which is licensed for transient occupancy, is 100 percent occupied by very low-income tenants. The hotel is for sale and thus is conceivably at risk of being reverted from residential to tourist use. The Loan Committee's approval of the loan would be with the stipulation that Conard House would effectively "retire" its

transient licenses from the market. Another condition of the loan would invoke a substantial interest penalty if the owner was to materially change the hotel's use during the 50-year term of the loan. For years Conard House, Inc., through a contract with the Department of Social Services (DSS), has been providing a wide range of social services to the mentally disabled tenants of the Midori Hotel and the DSS has indicated that they will continue their financial support of these efforts. Additionally, since the DSS pays rent subsidies to the current owner of the building, this acquisition (along with the acquisition of the El Dorado Hotel) will save the DDS approximately \$300,000 annually. Although no permanent displacement is anticipated during the upgrading of the building's units and facilities, the DSS will also work with Conard House in redirecting tenants who may be required to move temporarily from a unit. The State has committed a \$1,925,000 loan for this acquisition contingent upon confirmation of funding from the City.

- (h) Jack Robertson, Development Specialist, introduced item (h), which requests authorization of a \$1,139,762 loan to Conard House, Inc. for the acquisition and rehabilitation of the El Dorado Hotel, located at 150 Ninth Street, as approved by the Loan Committee. This loan is being requested under the program referred to in item (g). Like the Midori, the El Dorado Hotel is licensed for transient occupancy and is 100 percent occupied by very low-income tenants; thus, the same risk of its being reverted to tourist use exists for this hotel. The Loan Committee's approval of the loan includes terms equivalent to those described for the acquisition of the Midori. Also, the services provided by the Conard House at the El Dorado, as well as its relationship with the Department of Social Services, are identical to the Midori case. In addition, the El Dorado Hotel contains ground floor commercial space that will provide income to help support the debt service. The State has committed a \$1,425,000 loan for this acquisition contingent upon confirmation of funding from the City.
- (i) Jack Robertson, Development Specialist, introduced item (i), which requests authorization of a \$180,000 loan to Mission Housing Development Corporation (MHDC) and the Women's Alcoholism Center (WAC) for the acquisition and rehabilitation of a vacant duplex located at 1724 Bryant Street. The loan would be made through the Rental Housing Acquisition and Rehabilitation Program (RHARP) under the new City-wide Tax Increment Housing Program. WAC has been awarded a \$25,000 annual grant from the San Francisco Department of Public Health to implement a residential treatment program for six pregnant and/or partum women addicted to crack and for their infants. The terms of this grant require that WAC acquire a building and assume operations this year. MDHC proposes to convert the duplex into a single-family building housing up to 12 women and infants for use by WAC who will manage and operate the program. WAC anticipates purchasing the facility within five years and repaying the outstanding RHARP debt at that time. In an effort to leverage City funds, the Agency and the Mayor's Office of Housing have required MHDC/WAC to seek funding from the State

as well as conventional financing. However, MHDC/WAC need funds by March 1, 1990 in order to meet their site option deadline. Therefore, the \$180,000 loan would be split into two loans: (1) an \$80,000 loan that will require principal repayment over the long term; and (2) a \$100,000 "swing loan" that will be repaid in the short term from State loan proceeds if these should be granted. If the State does not fund the project, the entire \$180,000 will be wrapped into one long term loan similar to other RHARP loans.

Jack Robertson explained that each of the proposals was being made through the Rental Housing Acquisition and Rehabilitation Program under the new City-wide Tax Increment Housing Program.

Joe Conard provided further background on the Conard Housing program and urged the Commission to approve items (g) and (h).

Ace Washington, Executive Director, WAPAC, spoke with regard to item (i), noting his concern at the fact that Mission Housing Development Corporation was under investigation and had been denied funds by HUD. Mr. Helfeld noted that Brad Paul, Deputy Mayor for Housing and Neighborhoods, is on the Loan Committee and would have made it known if he had been concerned with the integrity of MHDC.

Mr. Kitahata inquired about interest pay back on these items. Mr. Robertson answered that interest on the loan is essentially deferred as long as the hotels are used to provide services for those in need, and that interest would only be invoked as a punitive measure.

Ms. Tsen noted that these are the types or programs this Commission envisioned as part of the Affordable Housing Program and she was glad to see them before the Commission for approval.

Mr. Bagot noted the great staff work done by Bill Rumpf and Jack Robertson and declared that these programs were going to be most helpful to people who really need them.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 25-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 26-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (i), RESOLUTION NO. 27-90, BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of amendments to Agency Salary Resolution Number 144-89 to adjust salaries and revise titles for various classifications. In September 1989, the Commission approved a personal services

contract with Jo Anne Auerbach to review and make recommendations on 19 pending requests for position reclassification or upgrade. Ms. Auerbach's study included meetings with Agency management and employees as well as desk audits of each of the individuals whose status was under consideration. Her resultant recommendations vis-a-vis comparable classifications throughout the City and County of San Francisco were approved by the San Francisco Civil Service Commission. Subsequently, each of the 19 individuals was apprised of the results of Ms. Auerbach's analysis, receiving a portion of the report pertaining to their position. As well, each was invited to meet with Ms. Auerbach to discuss her conclusions. Consequent to these meetings and additional consultation with City and County personnel, Ms. Auerbach revised her recommendation with regard to one of the positions. Her standing recommendation is that salary adjustments be made for five positions and five reclassifications. Additionally, two classifications are recommended for retitling with no change in compensation. A summary sheet is attached outlining the changes. When the July 1989 salary resolution was adopted, it was recommended that the amendments be effective July 1, 1989. The actual classification would be effective on that date if the request preceeded it or later if the request was made after July 1. The approximate annual cost of the reclassification and salary adjustments for all ten affected individuals is \$40,000, the cost of which will be paid through salary savings.

Mr. Helfeld noted that the resolution before the Commission has been revised to delete one position, that of Community Information Officer, for further review, and that the resolution which has been provided for each of the Commissioners just prior to the meeting reflected the change.

Ms. Tsen inquired as to why these changes in the budget for personnel were up for review at this time rather than along with regularly scheduled budget issues. Mr. Helfeld responded that these requests had been outstanding for some time and, following Ms. Auerbach's study, these are the recommendations.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Mickey Graham inquired about the Agency's Affordable Housing Program and President King referred him to Bill Rumpf, Chief of Housing Production Management.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (k) Mr. Helfeld indicated that a warehouse in the Rincon Point-South Beach Project Area is being considered by the Mayor's Office for temporary use as a homeless facility until permanent facilities

are completed. There may be property owners in the area who will take exception to this usage.

President King announced that pursuant to Government Code Section 54956.8 there would be a Closed Session to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center. The person or persons with whom the Agency negotiator may negotiate with is YBG Associates.

There will also be a Closed Session on Personnel.

President King announced there are a number of additional Closed Session items which arose subsequent to the posting of the agenda on Friday, February 2, 1990, and which staff has asked the Commission to add to the Closed Session matters which will be considered pursuant to Government Code Section 54956.8, to instruct the Agency's real property negotiators. The properties' are located in Hunters Point. The entities the Agency's negotiator may negotiate with are:

northwesterly corner of Keith Street at Project boundary/Future Perfect, Inc; and

northerly corner of Whitney Young Circle and Newcomb Avenue/Progress Seven, Inc; and

westerly corner of Whitney Young Circle and Hudson Avenue/Summit Partners; and

southerly side of Keith Street east of Hudson Avenue/Bay Vista Homes (Dukes & Dukes); and

southerly side of Hudson Avenue between Whitney Young Circle and Ingalls Street/a future developer.

In addition, at the request of Agency General Counsel, there will also be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Hotel Employees, Restaurant Employees Union, Local 2 v. Marriott Corporation, San Francisco Redevelopment Agency Intervenor.

Section 54954.1(b)(2) requires the Commission to add agenda items by a two-thirds vote of the members of the Commission.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON FEBRUARY 2, 1990.

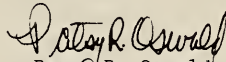
ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to a Seven Closed Sessions On

Minutes of a Regular Meeting, February 6, 1990

Real Property Negotiations; a Closed Session on Litigation; and a Closed Session on Personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: April 3, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF FEBRUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of February, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Katherine Nash, Rainbow/WANA; Sam Williams, California Minority Vendors Bank; Ace Washington, WAPAC; Carolyn Niehaus, HUD; Rick Wiederhorn, Port of San Francisco; Jack Higginbotham, Mental Health Association of San Francisco; Peter Schwab, SFUSD; Harry McHenry; Douglas Evans and Charlie Price, CFC; Jane Herzog, SFT; Essie Collins; Steve Leonoudakis, Fourth & Harrison Associates; Derf Butler; Christine Haw, Mayor's Office of Community Development; Jon Twichell, Jon Twichell Associates; Stephen L. Taber and Rick Mariano, Rincon Point-South Beach Citizens Advisory Committee; Doris Kahn; Robert Martin, California Theater-Fort Mason; Ann Smith, "Arts 1000", San Francisco Girls' Chorus; Anthony Vandermiehl, San Francisco Coalition Against Homelessness; Bob Marinaccio, Yerba Buena Gardens Cultural Center; John Clawson and Al Williams, Olympia 7 York; and Reverend Amos Brown.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of January 16, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) With respect to the Trammell Crow/Cala Project at Post and Franklin Streets, the Commissioners will recall that Trammel Crow entered into an agreement with Hospitality House in June 1989

which provided for: \$100,000 in predevelopment funds; fees and services which includes Trammel Crow acting as General Contractor for the project; and if Hospitality House chooses to use a different General Contractor or is unable to pursue the project within the 36-month agreement period, then Hospitality House may elect to receive an additional cash contribution of \$150,000. Since entering into the agreement, representatives of Trammel Crow, Hospitality House and BRIDGE Housing met at the Mayor's Office to discuss and seek funding allocation for the purchase of a site at Leavenworth and Golden Gate. Staff was advised by Trammel Crow of a favorable bid by the City. The purchase of the site was dependent upon the City's contribution of funds, a contingency which did not occur, and the purchase was not completed. Nonetheless, Trammel Crow is hopeful that another site will be available for purchase. Meanwhile, Trammel Crow is assisting in consolidation of Hospitality House's services into the former KGO building on Golden Gate Avenue. In cooperation with BRIDGE Housing, drawings have been prepared to retrofit the facility. Construction is expected to begin within the next six months.

- (b) The Yerba Buena Center Budget Summary has been submitted to the Commission.
- (c) There will be a Joint Meeting with the City Planning Commission on February 24, 1990 at 4:00 p.m. regarding the proposed South of Market Earthquake Recovery Redevelopment Project.
- (d) The City Planning Commission has approved a South End Historic District that includes properties in Rincon Point-South Beach. This will now go before the Board of Supervisors for approval.
- (e) Leamon Abrams, Chief of Economic Development, reported on the San Francisco African-American Community Economic Development Conference held from February 9-11, 1990. He noted it had a successful turnout and that Commissioners King and Bagot had been in attendance and the schedule of Economic Development Workshops the Agency was conducting in the Western Addition and Hunters Point communities.

Mr. Bagot indicated this was an exciting conference. Leamon Abrams and Gene Suttle gave great speeches on the direction of the Agency.

- (f) Mr. Helfeld reported on the Moscone Convention Center expansion.

UNFINISHED BUSINESS

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), the Agency's 1990-1991 Budget and noted modifications to the document. He indicated the Budget would be before the Commission for approval on February 27, 1990.

The following persons spoke regarding item (a): Doris Kahn; Robert Martin, California Theater-Fort Mason; Ann Smith, "Arts 1000", San

Francisco Girls' Chorus; Anthony Vandermiehl, San Francisco Coalition Against Homelessness; and Ace Washington, WAPAC.

Mr. Wartelle noted his concern about the public purpose being served by the Agency's involvement in the Fisherman's Wharf Project.

Michael Kaplan, Project Coordinator, explained that Fisherman's Wharf has historically brought substantial revenues to the City and has provided jobs for its lower income citizens. Mr. Helfeld echoed the importance of Fisherman's Wharf to the City and reminded everyone that commercial development is a primary commitment of the Agency based on its Mission Statement.

Mr. Wartelle also inquired as to whether the Agency's involvement in helping to rejuvenate the businesses in the Wharf area could work to the detriment of other City attractions, including those supported by the Agency, such as Yerba Buena Center.

Mr. Kaplan explained that the market analyses have shown no relatedness between the relative success or failure of one part of the City in regard to that of another. Mr. Kaplan asserted that, in fact, San Francisco attractions are competing with other attractions throughout the State. Mr. Gamble concurred that a displacement effect does not exist between Agency-supported project areas.

Mr. Bagot expressed concern about whether the Rincon Point-South Beach Project could be better leveraged and pointed out that this was important in considering budget allocations. He asked staff to provide information as to the number of existing SRO's in the South of Market Area (SOMA) and the number that were damaged by the earthquake. Regarding affordable housing, Mr. Bagot also requested an inventory of potential housing sites. Mr. Helfeld indicated this information would be provided to Mr. Bagot.

With regard to Fisherman's Wharf, Mr. Bagot endorsed the project. He did have questions, however, about how costs of development will be shared by the Agency, the public and the private sector, as well as the terms of the plan and the benefits for low-income and homeless people.

Mr. Bagot commented that Bernal Heights residents are currently "underserved" in terms of water service and street repair. He suggested that these citizens band together in effectively working to improve their neighborhood conditions as the residents of the SOMA have done.

Ms. Tsen stated that she felt that the budget was fairly lean in its current state but highlighted the importance of leveraging funds. She also requested details on Sites I and K in the Rincon Point-South Beach Redevelopment Project Area because of the inordinately high amount of money allocated for this project. She also urged the SOMA, Fisherman's Wharf and Bernal Heights area

residents to make the argument to the Mayor that these projects are in fact necessary and desirous to the citizens.

Mr. Kitahata replied that funds generated by projects like Fisherman's Wharf are used to pay for other social programs through the tax increment plan.

- (b) Mr. Helfeld introduced item (b), which requests authorization for Agency staff to make a generalized survey of the area immediately adjacent to the Rincon Point-South Beach Redevelopment Project Area in an effort to determine whether additional housing opportunities and an expansion of the mixed income residential neighborhood might be realized within a shorter time period if redevelopment activities were implemented. The proposal was originally presented by the Rincon Point-South Beach Citizens Advisory Committee (CAC) at the January 30, 1990 Commission meeting. In response to Commission concerns, staff has studied the request and discussed the matter with the Mayor's Office. Staff finds that the proposal is consistent with the Agency's policy to create and develop affordable housing. Preliminary findings from such an analysis would be reviewed with the CAC within 30 days of Commission approval of the undertaking and the Commission would be apprised of the results within 60 days.

Rick Mariano, President, Rincon Point-South Beach Citizens Advisory Committee, gave a brief history of the request for the survey and noted it had been agreed to exclude the property being considered for the Ball Park from the survey area. He noted the emphasis here is on affordable housing and urged the Commission to adopt staff's recommendation.

Stephen Taber, Rincon Point-South Beach Citizens Advisory Committee, and Jon Twichell, Jon Twichell Associates, also spoke in support of item (b).

Mr. Kitahata thanked the Citizens Advisory Committee for their support.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-90 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Agreement with On Target Delivery Service for scheduled and unscheduled messenger services from February 15, 1990 through February 15, 1992. On Target Delivery Service is a minority-owned business enterprise that has provided excellent messenger services for the Agency for a number of years. Two types of services are being provided by On Target: scheduled service, including pick-ups at City Hall and post offices, interoffice deliveries and Friday Commission deliveries; and unscheduled service to various destinations. The proposed agreement with On Target would provide for payments of \$1,300 per month for scheduled delivery services

(for a total of \$15,600 per year) and a basic rate of \$7.50 for unscheduled deliveries (not expected to exceed \$16,200 in the first year of the agreement). Compensation in the second year of the contract is to be negotiated with a cost increase in the Consumer Price Index for Urban Consumers in the San Francisco/Oakland Bay area. The most recent agreement was approved by the Commission in February 1988 and was extended in February 1989 for one year with a slight increase in rates.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which is a presentation by Ron Zeff of Trammel Crow of a housing proposal on Site L, generally bounded by Second, King and Townsend Streets in Rincon Point-South Beach. Mr. Zeff has indicated he will not be able to appear at this meeting.
- (c) Mr. Helfeld introduced item (c), which is a request Stephan Leonoudakis, Fourth and Harrison Associates, to appear before the Commission regarding the proposed change in the development of the parcel located at the northeasterly corner of Fourth and Harrison Streets from hotel/supermarket to condominium/supermarket. Mr. Leonoudakis also requests Commission consideration of an extension of the Agency's option to terminate provision of the LDA. On January 19, 1990, the developer was placed in default for failure to submit preliminary construction for the hotel/supermarket development. The LDA provides that in the event of the developer's failure to remedy the default within the 30-day cure period, in this case by February 18, 1990, the Agency may at its option terminate the LDA. It further provides that such option to terminate shall be exercised by written notice from the Agency to the developer and upon the giving of such notice, the LDA shall terminate at 5:00 p.m. on the 21st calendar day after the mailing of the Agency's notice. Mr. Leonoudakis has indicated to staff that the extension is being requested to allow time for the developer to consider the "covenant to operate" provision of the supermarket operator, to study the feasibility of providing affordable housing in the proposed housing/supmarket development, and to seek joint venture partners for the entire development. Staff recommends that the Agency exercise its option to terminate the LDA on February 20, 1990, resulting in a termination date of March 13, 1990 as it is believed that this will provide the developer with sufficient time to formulate a proposal for consideration by the Commission at the March 13, 1990 meeting.

Mr. Leonoudakis indicated he was working with a developer and hoped to bring this project together during the cure period.

- (d) Helen Sause, Project Director, Yerba Buena Center, reported on item (d), which is a workshop on the Retail/ARE program for CB-2 and CB-3 and a revised conceptual design scheme for the Esplanade in Yerba Buena Gardens. Consideration of the latest Retail/ARE program proposed by Olympia & York has been delayed as the design

implications were studied by the architects for both the developer and the Agency. Recently, the Mayor's Office has facilitated a number of meetings with representatives of Friends of the Gardens, the Agency, and other interested parties in order to reach consensus on an appropriate program and various design concerns. These meetings have led to several alternative programs, which will be discussed at the workshop. The workshop will also consider a revised conceptual scheme which integrates the public character and uses of the Esplanade with the retail concept proposed by Olympia & York. The scheme has been reviewed twice by interested members of the public and has been the subject of recent further review by the Mayor's Office. Design concerns regarding the east bridge, the outdoor performance area, the promenade, the fountain, and the sculptural play features which have been raised by the Mayor's Office and others, as well as any arising from the workshop, would be resolved early in the next phase or work following approval of the revised conceptual scheme.

The following persons spoke regarding item (d): Bob Marinaccio, Yerb Buena Gardens Cultural Center; John Elberling, TDOCO; John Clawson and Al Williams, Olympia & York; and Jane Herzog.

William Carney, Staff Architect, presented the design concept and summarized the concerns regarding the east bridge; performance area and noise of waterfall; children's uses; handicapped access; promenade; fountain; and answered questions from the Commissioners.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Reverend Amos Brown, Third Baptist Church, noted his concern about the lack of Black entrepreneurs in the Fillmore Center and requested the Agency investigate.

President King announced that there will be a Closed Session pursuant to Government Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 2, Central Block 3 and East Block 2 in Yerba Buena Gardens of Yerba Buena Center and the persons with whom the Agency may negotiate with is YBG Associates.

Central Block 2, Central Block 3 and East Block 2 in Yerba Buena Center with YBG Associates.

The Closed Session on 250 Fourth Streeet, Yerba Buena Center, with Fehr will not be held.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, February 9, 1990. Pursuant to Government Code Section 54954.2(b)((2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT

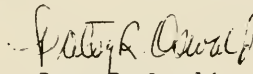
REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FEBRUARY 9, 1990.

The item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwest corner of Webster and Eddy Streets in the Western Addition A-2. The entity the Agency may negotiate with is Fillmore Market Place Associates.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 7:30 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is written in a cursive, flowing style.

Patsy R. Oswald
Agency Secretary

APPROVED: May 1, 1990

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF FEBRUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of February, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian

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and the following were absent:

Buck Bagot, Vice President
V. Fei Tsen (Arrived 4:30 p.m.)
Paul Wartelle (Arrived 4:50 p.m.)

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The President declared that a quorum was present.

The following Department of City Planning Commission were also present:

James Morales, President
Susan J. Bierman
Romaine Bogardus

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Charline McCain and Ken Blumenthal, Sixth Street Association; Richard Witwer, Sixth Street Merchants and Residents Association; Ocie Rogers; Leland Meyerzove, District Council No. 5 E.O.C; Jennifer Spangler, Art Hous; Dino DiDonato, SOMPSC; John Elberling and Philip Klasky, TODCO; Tricia James, representing the Small Business Community; Bernard Orsi, General Brewing Co; Rubin Glickman, Bob Werbe and Bruce Lymburn, Grayline Co; Robert Herman, Resident, SOMA and Member, Mayor's Housing Committee; Bernard Orsi, General Brewing Co; Matthew Huey, Asian American Contractors Association; Alfred Tio, Coastal Construction; Brian Denham, South of Market People; Isabel Ugat, SOMPSC; Robert Davis, Social Worker, Salvation Army; Kelly Cullen, Tenderloin Neighborhood Development Corporation; Nancy Russell, North of Market Planning Coalition; Joe Kaufman, Tenderloin Resident; Ken Munz, Conard House SFSS Hotel Program; Tricia James, representing the Small Business Community; Richard Wentworth, on behalf of Sixth Street Residents; Ed de la Cruz, SOMPSC; and Brian Beauvian "Colony of Sonoma".

Brad Paul, Deputy Mayor for Housing and Neighborhoods opened the workshop, which was to provide the members of both Commissions the opportunity to discuss issues relating to the proposed South of Market Recovery Redevelopment Project. This effort was initiated by the South of Market Problem Solving Council (SOMPSC) soon after the October 17th earthquake as an immediate program to be pursued within

the framework of the proposed Action Program for the broader South of Market area.

The following persons spoke regarding the subject workshop: Dino DiDonato, SOMPSC; John Elberling, TODCO; Tricia James, representing the Small Business Community; Charlene McCain, Sixth Street Merchants & Residents Association; Bernard Orsi, General Brewing Co; Rubin Glickman, Grayline Co; Robert Herman, SOMA Resident and Member, Mayor's Housing Committteee; Leland Meyerzove, District Council No. 5 E.O.C; Joe Kaufman, Tenderloin Resident; Richard Wentworth, on behalf of Sixth Street Residents; Robert Davis, Social Worker, Salvation Army; Ed de la Cruz, SOMPSC; Brian Beauvian, "Colony of SOMA "; Isabelle Ugat, SOMPSC; and Nancy Russell, Director, North of Market Planning Commission.

Commissioners' Comments and Requests

Ms. Bierman expressed concern that the redevelopment efforts would be deemed a failure when redevelopment is not able to solve the crime, specifically the drug problem in the area. She further stated that redevelopment, no matter how well-intentioned, brings gentrification; rents are bound to go up as housing is improved. Ms. Bierman expressed a desire to proceed carefully with plans for redevelopment.

Mr. Morales noted his concern that the South of Market residents want crack and crime out of the area without the effect of gentifying the neighborhood. He indicated that some gentrification will take place as a result of redevelopment efforts and noted that he did not understand the proposed financing for the project; he needed clarification as to the sources of funding; and of how the process would work since both agencies are involved.

Mr. Helfeld explained the terms of the financing and potential merger conditions.

Mr. Wartelle expressed concerns about gentrification and proposed strict code enforcement and the use of public funds in lessening the damaging effects on current residents. He indicated that the Commission's goal for the project is the production of a viable, working-class neighborhood and welcomed the residents of SOMA in working with the Commission to attain this goal.

Mr. Kitahata commended the neighborhood activists on their proposal efforts, indicating that he was excited about the opportunity of working with them in the redevelopment of the SOMA. He also pointed out that, with the exception of Yerba Buena Center budgeted expenditures, half of this year's budget is proposed to be spent on affordable housing.

Mr. Mardikian expressed concern over an inevitable effect of some gentrification should not immobilize and otherwise well-intentioned proposal to deliver persons now suffering from the effects of a crime-ridden environment. Mr. Mardikian avowed that Agency Commissioners would work to assure that there would be no disadvantage

to the SOMA residents and business people being served by two agencies in this project.

Ms. Tsen indicated that the new focus of the Agency is the provision of affordable housing and expressed concerns that the citizens of the SOMA community seemed to expect redevelopment to solve the area's crime vexation. She also noted that private market forces would eventually encourage gentrification but, with Agency intervention, the effects will be more controlled.

Ms. Berk remarked that it was good to see that both the residents and the Commissioners had expressed similar concerns and intentions with regard to the project.

Mr. King thanked the participants of the meeting and encouraged further community involvement and invited the City Planning Commissioners to stay in contact with the Redevelopment Agency Commissioners in working through the issues in the redevelopment of the SOMA.

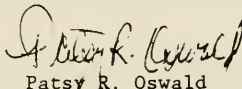
Mayor's Office of Housing and Neighborhoods

Mr. Paul indicated he shared the concerns of the residents and the Commissioners that the SOMA may experience some degree of gentrification as a result of redevelopment. He pointed out that with non-profit ownership, however, housing can be made available to those most in need. Available funds, for instance, could be used to purchase hotels in the area for use as permanent residences. Mr. Paul also commented that the two agencies had worked well together to date, allaying fears of "double jeopardy". With regard to the boundaries for redevelopment currently proposed by the Mayor's Office, Mr. Paul explained that these were subject to change as the Commissions deem appropriate.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 1, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF FEBRUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of February, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Gary Kitahata
V. Fei Tsen
Paul Wartelle

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and the following was absent:

Charlotte Berk (Arrived 4:30 p.m.)
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Calvin Welch and Rene Casenave, CCHO; John Elberling, TODCO; Phyllis Kern; Odell Williams and Joan Potter; San Francisco Coalition for Low-Income Housing; Christopher Martin and Nan McGuire, Fisherman's Wharf Citizens Advisory Committee; Beverly Mills, Russian Hill Neighbors; Darryl Cox, Consultant to Telegraph Neighborhood Center and North Beach Tenants' Association; Melvin Miles, PINC Neighborhood Center; Geraldine Johnson, The Thursday Group; Dwight Kinnard, P & K Trucking; Art Danll, Notre Dame Tenants Association; Steven L. Tate; Herb Williams; Susan Shelton; Caesar A. Churchill; Vern Hardin; Jamie Jamerson; D. Wiley; Kola Thomas; W.B. McDowell, Bayview Committee; Espanola Jackson; Reverend Timothy Dupre, Booker T. Washington Center; Erick P. Marquis; Raymond E. Luke; and Toye Moses.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of January 23, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) The Workshop on Economic Development, listed as item (1) on the agenda will be continued to February, 27, 1990, 1:30 p.m.

At the request of Mr. Wartelle, Mr. Helfeld indicated that Deputy Mayor James Ho would be invited to attend the Workshop.

Mr. Helfeld requested items (a) and (b), Unfinished Business, be taken up later in the meeting.

NEW BUSINESS - CONSENT AGENDA

- (a) Approving various land uses in the Bayview Plaza Commercial Center on Parcel D located within the block bounded by Third and Newhall Streets and Evans and Galvez Avenues; India Basin Industrial Park.
- (b) Authorizing a First Amendment which increases the amount payable by \$20,000 to a reuse appraisal services contract with Hibbitts Consulting, Inc.; All Approved Redevelopment Project Areas.
- (c) Authorizing a Contract for Acquisition Appraisal Services with Yovino-Young, Inc. in an amount not to exceed \$20,000; All Approved Redevelopment Project Areas.
- (d) Authorizing a Contract for Reuse Appraisal Services with Yovino-Young, Inc. in an amount not to exceed \$20,000; All Approved Redevelopment Project Areas.
- (e) Authorizing an extension of Exclusive Negotiations with the Bush Street Synagogue Cultural Center for the purchase and rehabilitation of Parcel 674-C located at the southeasterly corner of Bush and Laguna Streets and for the purchase and rehabilitation of 1881 Bush Street in the Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (e), RESOLUTION NO. 32-90 THROUGH AND INCLUDING RESOLUTION NO. 36-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

Mr. Helfeld requested that items (j) and (k), New Business, would be taken up before the remainder of the agenda.

- (j) Mr. Helfeld introduced item (a), which requests approval of a Preferred Alternative Retail/Amusement, Recreation and Entertainment Program for Central Blocks 2 and 3 in Yerba Buena Center.
- (k) Mr. Helfeld introduced item (k), which requests approval of a Revised Conceptual Design Scheme for the Esplanade in Yerba Buena Center.

The proposed program and conceptual design are the result of an extensive series of meetings over the past three months culminating in a public workshop held on February 13. Approval of the preferred program alternative will provide the basis for negotiations with Olympia & York and approval of the revised

conceptual design will provide the basis for resolution of remaining design concerns.

Mr. Helfeld noted proposed changes to the Commission memorandum dated February 16, 1990.

Ms. Berk arrived at this time, 4:30 p.m.

Calvin Welch, CCHO; and John Elberling TODCO; expressed appreciation to the Commission for moving forward with the program.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (j), RESOLUTION NO. 41-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (k), RESOLUTION NO. 42-90, BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests rejection of all bids received for Contract IV - Pier 36 Substructure Repairs in Rincon Point-South Beach. Rehabilitation of the deteriorated pier is necessary in order to support the operating loads of the tenant, Service Engineering Co. (SECO) which is being relocated from Pier 40 to Pier 36 as part of the lease with the Port for Pier 40. The lowest of the five bids received came in at \$3,657,750, which is \$1.4 million above the engineer's estimate of \$2,235,320 and exceeds the budget allocated for this work. Staff recommends that all bids be rejected and that the scope of contract reduced to bring it within budget. Other alternatives will also be explored in assisting staff in fulfilling the obligation to the Port.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests inclusion of an Incentive Payment of \$25,000 in the re-offering of the Pier 42 Bulkhead Building to be moved to a site outside of Rincon Point-South Beach Project Area and rehabilitated in the new location. In response to the Bay Conservation and Development Commission's (BCDC) order to remove the Bulkhead Building from its jurisdiction by November 1989, the Agency offered to sell the building for \$1 last year on the condition that it be moved and rehabilitated in a new site. Two proposals were received in response to that offering but neither respondent was able to obtain control of an acceptable site to relocate the building. At the urging of historic preservation groups, the offer was extended to February 20, 1990. However, no responses were received. The approximate cost to the Agency of demolishing the building would be \$25,000. A reasonable solution, then, is to offer this amount as an incentive payment to a developer who can obtain a suitable relocation for the building to facilitate its move and

rehabilitation. The BCDC has agreed to extend the deadline for removal of the Bulkhead Building to August 20, 1990 based on the continued interest of preservation groups and the Agency's proposal to offer an incentive payment with the re-offering.

Mr. Kitahata inquired if moving of the Bulkhead Building could be incorporated in the RFP for Pier 40 and Mr. Helfeld indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Seventh Amendment to the Legal Services Agreement with Erickson, Beasley & Hewitt which increases the amount payable by \$50,000; expands the Scope of Services Section of the Agreement and makes certain other changes in connection with All Redevelopment Project Areas. Erickson, Beasley & Hewitt is a San Francisco-based, minority and women-owned law firm that has provided excellent legal services for the Agency in connection with condemnation and inverse condemnation litigation under the Agreement since April of 1980. Staff desires to expand the Scope of Services Section of the Agreement to include all project areas and to expand legal research, advice and consultation to cover any and all matters of Agency business, such as selection of survey areas, redevelopment plans and other matters upon request of Agency General Counsel. Under separate contract, and in connection with Yerba Buena Center issues only, Henry S. Hewitt has been representing the Agency in the Local 2 v. Marriott Hotel litigation. Staff believes the separate contracts would be more efficiently administered under one, and therefore, proposes combining the two by minor changes in contract language. An additional \$50,000 in funding to cover the firm's anticipated future services will result in a new total maximum contract amount of \$173,000.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-90 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a Ninth Amendment to the Legal Services Agreement with Shute, Mihaly & Weinberger for all Redevelopment Project Areas, except Rincon Point-South Beach, which will expand the Scope of Services Section and increase the hourly rates payable under the Agreement. This law firm has been providing specialized legal services to the Agency since 1981 concerning the complex environmental issues related to land use in all areas except Rincon Point-South Beach. The firm continues to provide services necessary to the Agency in these areas; furthermore, staff desires to expand the services provided by the firm to cover any and all matters of Agency business, such as selection of survey areas, redevelopment plans and other matters upon request of Agency General Counsel. A modest increase in the hourly billing rates, which have remained unchanged since 1988, is also requested.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-90 BE ADOPTED.

At this time, 4:45 p.m., President King turned the Chair over to Vice President Bagot.

UNFINISHED BUSINESS

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), which requests approval of a proposed Budget for the period July 1, 1990-June 30, 1991 and authorization for the Executive Director to submit it to the Mayor and to the Board of Supervisors of the City and County of San Francisco. Presentations have been made and meetings held with community groups over the past two weeks and it is suggested public testimony now be taken. It should be noted that if the \$5 million for economic development is not expended, the funds will be carried over to next year.

President King and Mr. Helfeld left the meeting at this time, 4:50 p.m.

The following persons spoke regarding item (a): Art Danll, Notre Dame Tenants Association; Phyllis Kern; Calvin Welch and Rene Casenave; CCHO; Odell Williams, San Francisco Coalition for Low-Income Housing; Christopher Martin and Nan McGuire, Fisherman's Wharf Citizens Advisory Committee; Beverly Mills, Russian Hill Neighbors; Daryl Cox, Consultant to Telegraph Neighborhood Center and North Beach Tenants' Association; Melvin Miles, PINC Neighborhood Center; Geraldine Johnson, The Thursday Group; Dwight Kinnard, P & K Trucking; John Elberling, TODCO; Jamie Jamerson; and Pamela Sims, New Bayview Committee.

Ms. Tsen inquired regarding Sites I and K in Rincon Point-South Beach and Mr. Gamble indicated staff is suggesting that the budget be revised to not specify certain sites but that there be a pool of funds for Rincon Point-South Beach from which can be drawn on for affordable housing if needed.

After an extensive discussion between the Commissioners, Staff and the Public, it was decided that action would not be taken until the meeting of February 27, 1990.

President King and Mr. Helfeld returned to the meeting at 6:10 p.m. during the discussion on item (a).

- (b) Presentation by Ron Zeff of Trammel Crow of a housing proposal on the block generally bounded by Second, King and Townsend Streets in Rincon Point-South Beach.

Mr. Helfeld indicated that the Developer had requested this item be continued.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (b) Mr. Helfeld indicated that the Yerba Buena Center Cultural Board Fund Raising Report by Jerry Allen would be made at the February 27, 1990 meeting.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) John Elberling, TODCO, requested an update on the Reliance Development Group's project.

Mr. Helfeld indicated that there will be due notice on the LDA and a public hearing will be scheduled.

Acting President Bagot announced that this meeting would be continued to February 27, 1990, 1:30 p.m., 939 Ellis Street, Seventh Floor Conference Room, for item (1), a Workshop on Economic Development.

Acting President Bagot announced that pursuant to Government Code Section 54956.8 there would be Closed Sessions to instruct the Agency's real property negotiators. The properties, locations and entities the Agency may negotiate with are:

the southwest portion of the block bounded by Brannan, Colin P. Kelly and First Streets in Rincon Point-South Beach with Reliance Development Group; and

Central Block 2, Central Block 3 and East Block 2 in Yerba Buena Gardens of Yerba Buena Center with YBG Associates;

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:05 p.m.

RECONVENED

At this time and date the meeting reconvened to a Workshop on Economic Development at 939 Ellis Street, Seventh Floor Conference Room, at 1:50 p.m., February 27, 1990, with the following roll call:

Leroy King, President
Charlotte Berk
Gary Kitahata
V. Fei Tsen

and the following were absent:

Buck Bagot, Vice President (Arrived 2:10 p.m.)
Haig G. Mardikian (Arrived 4:00 p.m.)
Paul Wartelle (Arrived 2:03 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: James Ho and Gail Goldman, Mayor's Office of Business and Economic Development; Brad Paul, Deputy Mayor for Housing and Neighborhoods; Cheryl Towns; Pamela Sims; Essie Collins; Rochelle Frazier; W.C. Fuller; Larry Johnson-Redd, OMI-Pilgrim Community Center; Daphne Griffin, Ace Washington, WAPAC; T. Greene; Gillian Brown; Chris Haw, Mayor's Office of Community Development; Sam Aaron Williams; Ocie Rogers; Peter Green, City Planning Department; Pleasant Carson; Bob Duncan; Harold Brooks; Orelia Langston; Chuck Collins; Anthony Lincoln; and Antoinette Butler, New Bayview Committee.

Representing the press was: Steve Massey, San Francisco Chronicle.

Mr. Helfeld introduced James Ho and Gail Goldman, Mayor's Office of Business and Economic Development.

Mr. Helfeld introduced the Workshop: Economic development is essentially creating economic opportunity, particularly through minority entrepreneurship and small business development and the expansion of employment opportunities. The Agency is committed to carrying out the goals contained in its Mission Statement on Housing and Economic Development Policies adopted by the Commission in May 1989. The Agency is fully committed to economic development. While it is regretted the program has not been implemented sooner, the public should know that the resources the Agency committed last year of \$5 million has not been reprogrammed and is available to promote economic development activities. It is pleasing to note that two black entrepreneurs have had loans approved by the Commission which will help minorities operate businesses in Bayview Plaza. The Agency, in conjunction with its technical assistance provider, Urban Economic Development Corporation, is working with other minority entrepreneurs interested in Bayview Plaza and the Fillmore Center. During discussions on the budget with community organizations, the need for a supermarket in the South Bayshore has been discussed. Staff is currently reviewing materials to assess the feasibility of the project. The Agency is very interested in working with the public and community organizations to develop and implement its economic development program. The Agency's process for community input will be described later.

David Kirkpatrick, the Facilitator for this workshop, has been with the National Economic Development and Law Center since 1977. The Center is a non-profit, public interest community and economic development technical assistance provider located in Berkeley. The Center is in its 16th year, and provides assistance to cities such as Philadelphia, Los Angeles, Baltimore and New York. Mr. Kirkpatrick is presently one of the staff attorneys. He previously held positions as Deputy Director and Executive

Director of the Law Center. His areas of specialty include worker, consumer and marketing cooperatives, housing developments, economic development strategies, land banking and development financing. Mr. Kirkpatrick received his law degree from Harvard University and his BA degree from Yale University. Prior to joining the National Economic Development Law Center, Mr. Kirkpatrick held positions as Directing Attorney, Regional Counsel and Deputy Director with California Rural Legal Assistance. He worked on civil litigation around benefit programs and civil rights, housing and economic development. In addition to his achievements in the field of economic development, Mr. Kirkpatrick has published several articles on housing. He has assisted in the development of State financing programs for housing cooperatives. Mr. Kirkpatrick's expertise in economic development has been used by many organizations, municipalities, profit and non-profit cooperations in workshops such as the one today to determine goals and strategies.

Mr. Kirkpatrick gave a presentation on community development, alternative decision making models and models of economic development. He then responded to questions from the Commissioners and members of the public.

Commissioners Bagot and Wartelle arrived during Mr. Kirkpatrick's presentation.

The following persons spoke regarding the Economic Development Workshop: Peter Green, City Planning Department; Pleasant Carson; Bob Duncan; Larry Johnson-Redd; Harold Brooks; Orelia Langston; Antoinette Butler, New Bayview Committee; Anthony Lincoln; Chuck Collins; Ace Washington, WAPAC; Essie Collins; and Gail Reid.

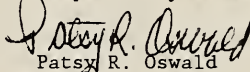
Mr. Mardikian arrived during the public testimony, 4:00 p.m.

Leamon Abrams, Chief, Economic Development, described the proposed process to develop the Agency's Economic Development Plan and leveraging of the Agency's resources to maximize funds. He indicated community workshops on economic development would be held: March 10, 9:00 a.m. to noon, at the Western Addition Cultural Center; March 17, 9:00 a.m. to noon, at the South East Community College; and March 23, 1:30 p.m. to 4:00 p.m. at the Redevelopment Agency, Seventh Floor Conference Room.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: April 10, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF FEBRUARY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:45 o'clock p.m. on the 27th day of February, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Denise Hinkle McCarthy, Telegraph Hill Neighborhood Center; Ernie Lowe; Dr. Rhody A. McCoy, Future Perfect, Inc.; Ezekiel Martin, Exchequer, Inc.; Heidi Hammons; Pleasant Carson, Middle Passage Visual Arts; L. Chew; Nontski Cayou, WAJUMBW; Scott Madison and Antoinette Butler, New Bayview Committee; Melvin Miles, PINC; Robert R. Duncan, City and County of San Francisco; Ocie Rogers; Ace Washington, WAPAC; Willie Ratcliff, Liberty Builders; T. Green, Architectural Supply; and L. Jamerson.

Representing the press was: Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Jerry Allen, Executive Director of the Cultural Board for Yerba Buena Gardens has been detained and will make his report on the Cultural Board Fundraising at a future time.
- (b) On February 27, the Land Use Committee of the Board of Supervisors approved boundaries of the South of Market Earthquake Recovery Survey Area.
- (c) On February 28 Agency staff will be making a report to the Port Commission on the overall program for Rincon Point-South Beach.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of a Revised Budget for the period July 1, 1990-June 30, 1991 and authorization for the Executive Director to submit it to the Board of Supervisors of the City and County of San Francisco. Two significant changes from the first Draft Budget Proposal are: the amount of funding for housing assistance in Rincon Point-South Beach is reduced from \$7.7 million to \$5 million and is pooled rather than allocated to specific projects; and the amount of funding for South of Market housing acquisition is reduced from \$10 million to \$3.5 million with the remaining funds to be combined with housing assistance funds available from Yerba Buena Center. The revised budget also includes information describing expenditures which require mergers or other actions and major carryforwards of funding from the current budget year have been noted. It is recommended that expenditures for the entire Bernal Heights program be reserved pending resolution of the Agency's responsibilities in the area. March 1, 1990 is the final deadline for budget submission to the Mayor's Office and it is therefore essential action be taken today. Any further adjustments will then need the consent of the Mayor's Office.

Mr. Wartelle indicated he wanted to go on record to avoid a possible conflict of interest because he has been working with tenants of Geneva Towers on potential purchase by a nonprofit (referred to in the resolution as an "at-risk federally subsidized project"). However, he is prepared to vote separately on the overall budget if the at-risk housing fund is taken up separately so he can abstain from voting on it.

Denise Hinkle McCarthy made a presentation on behalf of the Telegraph Hill Neighborhood Center, and requested that a public benefits package for Fisherman's Wharf be included in the budget.

Mr. Kitahata requested that this request be analyzed. It has some good points that could be used in other project areas.

Mr. Wartelle noted his concerns regarding the Fisherman's Wharf project which included: the use of Tax Increment funds versus the General Fund; the need for a merger; the need for establishment of goals in commercial development; and whether low-income persons will benefit by the increase in employment. He felt that the proposal by the Telegraph Hill Neighborhood Center was enlightening and should be used in discussions with the Mayor's Office. He indicated staff should also look into the effects of a hotel in Rincon Point-South Beach and other developments in the area including the Embarcadero freeway.

Mr. Helfeld noted that there has been significant analysis by the Budget Office which indicates the project would pay for itself. The Fisherman's Wharf program does not foresee a large scale new development, as there are limited opportunities for affordable housing. It would be more public improvements and refurbishment.

Mr. Wartelle inquired which redevelopment area the project would be merged with and Mr. Helfeld indicated staff is recommending the Golden Gateway because it produces significant tax increment funds.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-90-A, AS AMENDED, BE ADOPTED.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, THAT RESOLUTION NO. 31-90-B BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Bagot
Ms. Berk
Mr. Kitahata
Mr. Mardikian
Ms. Tsen

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Wartelle

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested that a monthly news publication be issued by the Agency.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (d) Jerry Allen, Executive Director, Cultural Operating Board for Yerba Buena Gardens reported on the Board's fundraising efforts.

UNFINISHED BUSINESS (Continued)

- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Private Development by GSI Holdings for the purchase and development of Parcel S-6 located at the westerly corner of Newcomb Avenue at La Salle Avenue in Hunters Point.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (b), which requests authorization of an LDA with GSI Holdings for the development of Parcel S-6 located at the westerly corner of Newcomb Avenue at La Salle Avenue in

Hunters Point. It is requested this item be continued to the meeting of March 13, 1990.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing would be continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 20-90, WOULD BE CONTINUED TO THE MEETING OF MARCH 13, 1990, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

President King indicated that item (e) would be removed from the Consent Agenda and considered as a Regular Agenda item because an oral amendment to the resolution is needed.

- (a) Authorizing a Second Amendment, which expands the Scope of Services and increases the amount payable by \$11,000 under the Professional Services Agreement with Environmental Science Associates, Inc. for completion of the Draft Environmental Impact Report for Fisherman's Wharf Survey Area.
- (b) Authorizing an extension of Exclusive Negotiations, until March 28, 1990, with Griffin/Related Properties-I for the development of Parcel 3707-A located at the northeast corner of Third and Mission Streets in Yerba Buena Center.
- (c) Authorizing a Conditional Grant Agreement with Delancey Street Foundation which provides up to \$1.4 million over a three year period for the development of Site J bounded by the Embarcadero, Brannan and First Streets in Rincon Point-South Beach.
- (d) Adopting a form of Resolution necessary to apply for and receive State Disaster Relief Funds for earthquake related damage.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-90 THROUGH AND INCLUDING RESOLUTION NO. 46-90 BN ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (e) Mr. Helfeld introduced item (e), which requests approval of the proposed form of Amendments to the Amended and Restated Reimbursement Agreement related to the Agency's Yerba Buena Center Redevelopment Project Liquidity Facility Revenue Bonds, Series 1983. The resolution as drafted by Bond Counsel states that the letter of credit bank and the credit bank have executed the second amendment already. While the letter of credit bank, Sumitomo Bank, has executed the amendment, the credit bank, Bank of America, has not yet received its required internal approvals to execute the amendment. The internal approvals are considered to be procedural and are anticipated within 48 hours. Accordingly,

the resolution should be amended as follows: the last WHEREAS clause should state "WHEREAS, the L/C Bank has consented to the elimination of the 123-day waiting period as evidenced by the execution and delivery to the Agency of the Second Amendment and the Credit Bank has indicated its preliminary approval of the Second Amendment".

ADOTIION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to hire Public Financial Management and Charles A. Bell Associates as Financial Advisors for refinancing of the 1979 Moscone Center Bonds in connection with Yerba Buena Center. Changes in tax laws and financial practices over the past ten years permit refinancing of these bonds which would yield a substantial up-front cash savings to the Moscone project. In order to expedite the refinancing, the CAO's Office has requested that the Agency hire a team of financial advisors selected by the CAO to assist in protecting the City's financial interests. Cost for the team is estimated at \$50,000, 35 percent of which would be for Charles A. Bell and 65 percent for Public Financial Management, Inc. Details of the affirmative action programs for both firms have been provided to the Commission.

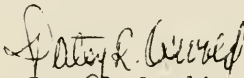
Mr. Kitahata requested staff to explore any opportunities of the Agency's sharing in the proceeds from this refinancing and report back to the Commission.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-90 BE ADOPTED.

ADJOURNMENT

It was moved by mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 1, 1990

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3/6/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF MARCH, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of March, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

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and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elberling, TODCO; Don Tayer, President of the Board and Jerry Allen, Executive Director, Yerba Buena Gardens, Cultural Center, Inc; Ocie Rogers; Berri McBride, Summit Partners; C. Hardwick, Operation Sentinel; Ace Washington and Ricki Graham, WAPAC; Randall Evans, WACC; Tollie Jordan Green, Architectural Supply; Harry McHenry; C. Coleman; and Derf Butler.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of January 30, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of January 9, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of January 16, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of January 23, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously

carried that the minutes of the Special Meeting of January 9, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the minutes of the Special Meeting of January 16, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The National Association of Housing and Redevelopment Officials (NAHRO) (as individuals) has sent a check to the City through the Agency for the Mayor's Earthquake Recovery Fund in the amount of \$4,200.
- (b) On February 28, staff made a presentation before the Port Commission on the status of the Rincon Point-South Beach Redevelopment Project. The President of the Port Commission expressed concern regarding the proposed Request for Qualifications for Pier 40 and the possibility of a hotel. A joint workshop between the Port and Redevelopment Commissions will be scheduled to discuss this subject.
- (c) The Commission has been provided with a memorandum on the status of residential and non-residential sites that are not the subject of signed Land Disposition Agreements. It is suggested a full discussion take place at the March 13 meeting.
- (d) Gene Suttle, Senior Deputy Executive Director, reported on the status of the Amelia II project and indicated it is believed that the concerns of all parties involved have been addressed.
- (e) The Commission has been provided with a memorandum regarding the Agency's role in obtaining leases with options to purchase on two properties for use as Multiservice Centers for the homeless to implement the Mayor's Homeless Plan.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested that persons who received the tentative agenda be notified that a Forward Calendar is available upon request.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an Amendment, which increases the amount payable by \$25,000, to the Personal Services Contract with Economic Research Associates for Economic Urban Land Consulting Services; Yerba Buena Center.
- (b) Approving payment of the Agency's Annual Dues in the amount of \$1,405 for membership in the National Association of Housing and Redevelopment Officials (NAHRO).

- (c) Approving payment of Annual Dues in the amount of \$2,025 for membership in the Community Redevelopment Agencies Association (CRA).
- (d) Authorizing an extension of Exclusive Negotiations, until April 11, 1990, with Robert Upton and Berri McBride, acting as General Partners for Summit Partners, for Parcel EE-2, located at the southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point.
- (e) Authorizing a sixty day extension to the Amended Interim Funding Agreement with the Operating Board for the Yerba Buena Gardens Cultural Center; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (e), RESOLUTION NO. 49-90 THROUGH AND INCLUDING RESOLUTION NO. 53-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Fourth Amendment to the Architecture Agreement with Mitchell/Giurgola in connection with Yerba Buena Center. In February 1990, a revised conceptual design for the Esplanade was approved, subject to the resolution of certain design concerns. The proposed amendment would provide funding for further conceptual studies and presentations to resolve those concerns. A major portion of the work would take place during an intensive ten-day design effort in San Francisco led by design principal, Aldo Giurgola, and involving the Mayor, the Commission, other city officials, members of the public and the developer. The design concerns requiring further study are: the east bridge; the outdoor performance area; the promenade; the fountain; sculptural play features which would be developed with the assistance of the Children's Committee; and an appropriate tribute to Martin Luther King on CB-2. Following preliminary studies, the intensive design effort in San Francisco would begin March 30 and culminate in a public workshop on April 10. With conceptual resolution of the concerns by mid-April, normal work on the esplanade design will be able to proceed, allowing construction to begin when the Moscone roof is available in the Spring of 1991. The work would be billed as an additional service on a time and materials basis. The amendment increases the amount payable by \$48,500 which is available within the \$87.6 million project budget established for Yerba Buena Gardens. In addition, the amendment recognizes the firm's name change from Mitchell/Giurgola Architects to MGA Partners.

Mr. Wartelle inquired regarding the timetable for the session and Mr. Helfeld indicated mid-April.

Ms. Tsen noted her concern regarding the architects fees and

inquired if there was some way to keep them to a minimum, as every time there is a change it represents an increase in services.

Mr. Helfeld indicated that the Commission has approved the conceptual designs a number of times. It is unusual to see so many times where a Commission has approved a design and then other problems arise. It is believed the Agency is on a reasonable track and groups who have had particular concerns over the years are coming together so it is hoped this will be the last request for additional architectural fees.

Ms. Tsen inquired if the architects will be looking at sculptural features for children during the work session and Mr. Helfeld indicated that this is the Design and Development Phase and after direction from the Commission they will return with details of specific items.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY Mr. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests approval of a Contract in an amount not to exceed \$8,075 with Operation Sentinel, a non-profit fair housing organization, for Fair Housing Monitoring Services. The six developments built with tax-exempt bond financing are required to have a program for achieving racial and economic integration. Services to be provided by Operation Sentinel will include volunteers specifically trained to test whether owners are complying with Fair Housing laws, regulations and operational procedures. The contract would be for a twelve-month period and regular reports will be provided regarding the results of site visits and Operation Sentinel's analysis of the visits.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which is a Workshop for an inclusionary Housing Policy to be adopted for new residential developments located in Redevelopment Project Areas. It is requested this item be continued to the meeting of March 13, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), a WORKSHOP FOR CONSIDERATION OF AN INCLUSIONARY HOUSING POLICY, WOULD BE CONTINUED TO THE MEETING OF MARCH 13, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Mr. Helfeld introduced item (i), which is a Workshop to review the provisions of the Agreement for Operation of Cultural Facilities in Yerba Buena Center. Discussions on the major terms and conditions of the Operating Agreement are nearing completion. It contains the provisions of the Operating Board's management of the facilities and budget provisions that encompass the funding subsidy outlined in the YBG DDA. To allow time for the required

budget review by the City, and in order to continue the activities of the Operating Board staff, authorization was requested and approved under Consent Agenda (e) to extend the Interim Funding Agreement with the Operating Board for sixty days.

Helen Sause, Project Director, Yerba Buena Center, made a presentation of the Agreement and provided background information.

Jerry Allen, Executive Director, Operating Board for Yerba Buena Gardens, described the proposed Program for the Cultural Center; current activities of the Operating Board; and its fundraising efforts.

Robert Firehock, Deputy Agency Counsel, described the obligations of the Operating Board and its legal requirements and responsibilities.

Mr. Allen and Don Tayer, President of the Operating Board, responded to questions from Commissioner Wartelle regarding activities planned for the Cultural Buildings.

John Elberling, TODCO, requested that the Moscone Convention Center be precluded from renting the Cultural Center facilities. He also requested the Operating Budget for Yerba Buena Gardens.

Mr. Allen indicated this was the first time he had heard of this particular concern for Convention Center use. First priority will be given to nonprofit groups, however, if the facilities are not in use he would like the flexibility to raise outside income to keep rents down for other users.

Mr. Mardikian noted that because of the composition of the Operating Board, the Convention Center would not be given preferential treatment, however, he noted that the Board needs flexibility.

Mr. Wartelle inquired if the Board is governed by the Ralph M. Brown Act (Open Meeting Act). Mr. Allen indicated that it is not, but there is provision in the Agreement to hold open meetings. However, there are specific items that can be excluded such as personnel and the confidentiality of donors.

Mr. Bagot requested current estimates on the operating costs for Yerba Buena Gardens.

Ricki Graham, WAPAC, inquired regarding the affirmative action program for the project and Mr. Helfeld indicated that the construction contracts for the facility will contain affirmative action requirements for contractors.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

(f) On March 6, the Board of Supervisors continued two items to the

meeting of March 12: the South of Market Earthquake Survey area; and the South of Market zoning.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY
RELATED MATTERS

- (a) Tollie Jordan Green, Architectural Supply, handed a letter to the Commissioners dated March 6, 1990, addressed to President King, requesting Section 4 of the Land Disposition Agreement with Fillmore Center Developers be invoked because of violation of affirmative action requirements.

Randall Evans requested this matter be investigated.

President King indicated that staff will investigate this matter and report back to the Commission in two weeks.

- (b) Ace Washington, WAPAC, requested an opportunity be provided for the public to speak at the beginning of the meetings. He also inquired regarding an affirmative action contract between the Housing Authority and the Agency; and information on all rental agreements in the Fillmore Plaza.
- (c) Ricki Graham requested a copy of the Agency's affirmative action program and Mr. Helfeld indicated that Ben Hattem, Agency Affirmative Action Officer, would provide Mr. Graham with the appropriate information.

Vice President Bagot announced that there would be Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators. The properties' locations and entities the Agency may negotiate with are:

Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

695 Byrant Street with Michael Strunsky;

There will also be a Closed Session on Personnel.

There are two additional Closed Session items which arose subsequent to the posting of the agenda on Friday, March 2, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON MARCH 2, 1990.

The items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Minutes of a Regular Meeting, March 6, 1990

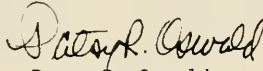
southeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Center Associates/West Bay Community Center; and

1145 Market Street with Trinity Plaza/Angelo Sangiacomo; 770 Golden Gate Avenue with San Francisco City and County Employees Credit Union.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to Four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 8, 1990

R35
#4
3/13/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF MARCH, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of March, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Charlotte Berk
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

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and the following was absent:

Buck Bagot, Vice President (Arrived 4:10 p.m.)
V. Fei Tsen (Arrived 4:30 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Jerry Allen, Executive Director, Cultural Operating Board for Yerba Buena Gardens; Katherine Nash, M.J. Staymates and Palmer D. Sessel, WANA; Ace Washington, WAPAC; Harold Moore; Essie Collins; Pat Nacey, representing Local 790; Yvette McCoy and Jamie Lockett, Progress Seven/Future Perfect, Inc.; Dr. Rhody McCoy, Future Perfect, Inc.; Jane Herzog; Marcia Rosen, SFLCUA; Tollie Green, Architectural Supply; Sue Hestor; Randall Evans, WACC; Howard Wexler; Sue Bierman; Pamela Sims, New Bayview Committee; Al Williams, Sandy Frucher, John Jerde and John Clawson, representing Olympia & York.

Representing the press was: Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 30, 1990, as distributed by mail to the Commissioners, be approved.

Mr. Bagot arrived at this time, 4:10 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On March 12, the Board of Supervisors designated a Redevelopment Area in the South of Market and certain zoning changes for the South of Market area.

- (b) On March 12, the Board of Supervisors passed for second reading an Ordinance amending the City Planning Code designating the South End Historic District, which includes certain properties located within the Rincon Point-South Beach Project Area.

Ms. Tsen arrived at this time, 4:30 p.m.

- (c) With regard to the status of temporary improvement of the Walkway Area in the Western Commercial Partnership I development in the Western Addition A-2, a building permit for emergency work was approved on March 1, but work has not yet commenced.
- (d) On March 10 a workshop was held on Economic Development led by Leamon Abrams, Chief of Economic Development, and attended by Commissioner Kitahata and Commissioner Elect Bolanos. Workshops on Economic Development are also scheduled for March 17 in Hunters Point and on March 23 at the Agency's office.

Mr. Kitahata commended staff on a successful workshop.

- (e) At the request of Mr. Bagot, a notice has been sent to all persons on the Tentative Agenda mailing list that the Agency produces a Forward Calendar quarterly of tentative agenda dates for major items and that it is available upon request.
- (f) In order to improve public communication, a mechanism is being instituted whereby non-confidential material that is sent to the Commissioners will be provided to the public upon request.
- (g) A reception will be held to welcome new staff members at 4:30 p.m., March 15 and the Commissioners are invited to attend.
- (h) With regard to item (f) on the agenda, a letter has been received from Mr. Leonoudakis, Fourth & Harrison Associates, Inc., which indicates he will not make a presentation today and that he concurs with staff recommendation to terminate the LDA. The Developer's request for refund of the deposit will be before the Commission for consideration at the March 20 meeting.

Mr. Kitahata inquired regarding a meeting to be held 4:00 p.m., March 15, by the San Francisco District Corps of Engineers on the Pier 42 Bulkhead Building. Frank Cannizzaro, Project Director, Rincon Point-South Beach, indicated that meeting had been called by the President's Advisory Council on Historic Preservation. Also, the Landmarks Advisory Board has asked City Planning to consider issuing some guidance on the Pier 42 Bulkhead Building as well as all bulkhead buildings along the waterfront.

Mr. Kitahata inquired if City Planning is acting in an advisory capacity only. Mr. Cannizzaro indicated affirmatively and explained the Agency's obligation with respect to the Pier 42 Bulkhead Building.

- (i) John Friedman, Assistant Director of Community Services, gave a status report on the concerns expressed by Tollie Green at the March 6 meeting regarding affirmative action in the Fillmore Center. He indicated that a response to each of Mr. Green's concerns is being prepared and will be finalized by the end of this week.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested a detailed report on the Economic Development Workshops.

Mr. Helfeld indicated that the intention was to receive community input which would be incorporated in a Draft for Discussion to be provided to the Commission, followed by formulation of a policy.

Commissioners Bagot and Wartelle requested that interim reports be made to the Commission.

UNFINISHED BUSINESS

- (a) Public Hearing to hear all persons interested in a Land Disposition Agreement for Private Development by GSI Holdings for the purchase and development of Parcel S-6 located at the westerly corner of Newcomb Avenue at La Salle Avenue in Hunters Point.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of approval of Schematic Drawings and an LDA with GSI Holdings for the development of Parcel S-6 located at the westerly corner of LaSalle and Newcomb Avenues in Hunters Point. The Developer is prepared to proceed with the construction of 27 homes for low-to-moderate income purchasers in accordance with the terms of the Affordable Housing Program established for six developers in Hunters Point. Agency subsidies will permit sales prices ranging from \$131,600 to \$156,500 rather than market-rate prices of \$163,000 to \$190,200. The Agency will pay up to \$625,000 for public and site improvements expenses and fees and up to \$545,900 will be paid by the Agency collectively in the form of "silent" second mortgages to assist purchase of the homes by low-to-moderate purchasers. In addition, the land price has been written-down by \$65,000, subject to the condition that all units are sold to purchasers of low-to-moderate income. Staff has reviewed the Schematic Drawings and finds the design concept acceptable. The performance schedule calls for submission of evidence of financing by October 17 and conveyance of the site by November 14, 1990.

Bill Rumpf, Chief of Housing and Production Management responded to questions from Mr. Kitahata regarding: the nature of the second mortgages; the strength of degree of recapture; interest rates; and the Agency's degree of equity.

Mr. Wartelle inquired regarding the recapture percentages under this formula and Mr. Rumpf indicated he would report back on this to the Commission. Mr. Wartelle noted that there should be some equity benefits in homeownership, however, rental housing is still the best way to preserve affordability.

At Ms. Tsen's request, it was agreed that the LDA be approved but not executed until the final documents in connection with the Second Mortgage Subsidy Program for the buyers of the units are approved by the Commission.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-90, AS AMENDED, BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

President King indicated that item (a) would be removed from the Consent Agenda and considered as a Regular Agenda item at the request of Ace Washington, WAPAC.

- (b) Authorizing a Third Amendment to the Personal Services Contract with Wes Willoughby.
- (c) Authorizing certain Amendments to Appendix A, Designated Employees of the Agency's Conflict of Interest Code.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEMS (b) AND (c), RESOLUTION NUMBERS 57-90 AND 58-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Common Area Maintenance Agreement with Safeway Stores, Western Commercial Partnership I and II for certain parcels bounded by Ellis, Webster and Fillmore Streets and Geary Boulevard in the Western Addition A-2.

Ace Washington requested item (a) be continued to the meeting of March 20 to provide time for WAPAC to hold discussions with Safeway, WCP and Agency staff regarding the Maintenance Agreement.

Essie Collins inquired regarding the extent of the Agency's involvement in the Agreement and Mr. Suttle, Deputy Executive Director, indicated that it is very minor and will terminate when the parcel is conveyed to Safeway.

President King indicated he is opposed to delaying action because the area needs to be cleaned up and maintained.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY Mr. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which commends and expresses appreciation to Charlotte Berk for her service upon the occasion of her departure as a Commissioner of the Redevelopment Agency of the City and County of San Francisco. Ms. Berk has served as a Commissioner since January 1978 and as the first woman President for the years 1981 and 1982. During her tenure, the Agency has experienced many changes in its priorities, community outreach and housing programs for the people of San Francisco. In recognition of Ms. Berk's dedication, her achievements and her contribution as an Agency Commissioner, this resolution is presented as a remembrance of the high regard in which she is held by all. This opportunity is taken to wish Ms. Berk well in her future endeavors.

Pat Nacey, representing Local 790; Mary Jane Staymates; and Cheryl Towns, New Bayview Committee, thanked Ms. Berk for her support over the years and expressed regret that she would no longer be serving on the Commission.

All the Commissioners paid tribute to Ms. Berk and expressed appreciation of her many contributions to the Agency's program.

President King presented Ms. Berk with the resolution and she received a standing ovation from all present.

Ms. Berk thanked the Commissioners, Staff and the Public for their tributes.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of an Agreement for operation of the Cultural Facilities for the Yerba Buena Gardens in Yerba Buena Center. The Mayor's Office has requested this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 60-90, WOULD BE CONTINUED TO THE MEETING OF MARCH 20, 1990 AT THE REQUEST OF THE MAYOR'S OFFICE. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which is a presentation by Fourth and Harrison Associates, Inc. regarding Parcel 3751-H located at the northeasterly corner of Fourth and Harrison Streets in Yerba Buena Center. As indicated in the Report of the Executive Director, a presentation will not be made.
- (g) Mr. Helfeld introduced item (g), which is a workshop for consideration of an inclusionary Housing Policy to be adopted for

new residential developments located in Redevelopment Project Areas. Because of the shortage of affordable housing, more than fifty California cities and counties have some form of mandatory inclusionary housing policies which facilitate the development of low-priced housing that would not otherwise occur. Requiring developers of market-rate residential projects to provide a "fair share" of housing is considered justified given the limited amount of land available for new residential development in San Francisco. The recommended housing policy sets guidelines for maximizing the number of affordable housing units in new residential projects and sets percentage goals for LDA's and OPA's to be implemented on a case-by-case basis.

Bill Rumpf, Chief of Housing Production and Management, and Jack Robertson, Development Specialist, presented the highlights of the Inclusionary Housing Policy.

The following persons spoke regarding item (g): Marcia Rosen; SFLCUA; Sue Hestor; John Elberling, TODCO; Howard Wexler; Essie Collins; and Pamela Sims, New Bayview Committee.

Mr. Wexler and Ms. Sims paid tribute to Ms. Berk and thanked her for her support.

A discussion ensued, during which Housing and Legal Division staff responded to questions from the Commissioners.

- (h) Mr. Helfeld introduced item (h), which is a workshop on the Fifth and Mission garage design; Yerba Buena Center. It is requested this item be continued to a future date.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), A WORKSHOP ON THE FIFTH AND MISSION STREETS DESIGN, WOULD BE CONTINUED TO A FUTURE DATE AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Mr. Helfeld introduced item (i), which is a workshop for the Developer to present the Program for Central Blocks 2 and 3 in Yerba Buena Gardens; Yerba Buena Center.

Sandy Frucher, Olympia & York, introduced John Jerde, the Developer's Architect, who described the program elements.

Sue Bierman paid tribute to Ms. Berk. She noted the importance of providing entertainment for children and a preference for the carousel to be located on CB-2.

Sue Hestor also indicated a preference for the carousel to be located on CB-2 need for a fun element on CB-3.

The O & Y representatives responded to questions from the Commissioners regarding: the size of the childcare facility; number of parking spaces; plans for retail; whether the theatre will be competitive; and plans for a children's museum.

John Elberling, TODCO, requested that the Fourth Street entrance be at street level to make access to the park easier for senior citizens.

PERSONS WISHING TO ADDRESS THE MEMBERS OF NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Sue Hestor inquired regarding the South End Historic District and lack of cooperation by the Agency with the Landmarks Preservation Advisory Board who have valid concerns on the Pier 42 Bulkhead Building.

President King indicated that the Agency and the Landmarks Board work together and as part of the City family, the Agency cooperates with other agencies.

Mr. Helfeld indicated that in connection with the Pier 42 Bulkhead Building, the Agency requested and has been granted a three month extension by BCD; proposes to use the money that was for demolition to preserve and relocate the building; and issue a Request for Proposals which will include language whereby the developer could incorporate the building in the Pier 40 development. The Agency is clearly seeking a solution to this problem.

REPORT OF THE VICE PRESIDENT (Continued)

- (b) Mr. Bagot indicated that there is a misunderstanding with the Bernal Heights and South Bayshore communities believing that the existing homeowners will be assessed on developed streets and the situation needs to be clarified in writing.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS (Continued)

- (b) Tollie Green, Architectural Supply, read a letter to the Commissioners dated March 13, 1990 listing additional concerns that he had expressed in his letter and presentation of March 6, 1990.

President King indicated that he was confident staff would give a full report to the Commissioners regarding Mr. Green's allegations.

- (c) Randall Evans requested consideration be given to Mr. Green's concerns.

President King announced that there will a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center. The person with whom the Agency negotiator may negotiate is YBC Associates.

There will also be a Closed Session on Personnel.

There are two Closed Sessions on real property negotiations listed on the agenda that will not be held. The properties and entities are:

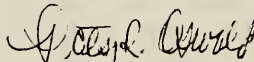
southeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Center Associates/West Bay Community Center; and

southwest corner of Brannan and First Streets, Rincon Point-South Beach, with Reliance Development Group.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 8:25 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", written in a cursive style.

Patsy R. Oswald
Agency Secretary

APPROVED: May 1, 1990

SF
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#4
6/20/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF MARCH, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of March, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Paul Wartelle (Arrived 4:25 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Tolliw Green, Architectural Supply; T.P. La Fleur; Ace Washington, WAPAC; Harold B. Brooks, Jr., Bayview Hunters Point Association; Alvin P. Norman; Randall Evans; Sue Hestor; Sue Bierman; John Elberling; TODCO; Calvin Welch, CCHO; Al Williams, Olympia & York; Bob Davis, Fillmore Center Associates; Richard Brown, EHHCC; Reverend Paul Douglas Jackson; Willie Ratcliff, Liberty Builders and Minority Contractors Association; Derf Butler; and Valerie Daniels.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

REPORT OF THE PRESIDENT

President King indicated that Sonia Bolanos was sworn in on March 20 as a Redevelopment Agency Commissioner. He welcomed Ms. Bolanos to the Commission.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On March 19, the Board of Supervisors passed a Budget Amendment of \$135,000 the North/South of Market Adult Day Health Program at Mendelsohn House in Yerba Buena Center.
- (b) The Commissioners acted in Closed Session March 13, 1990 to appoint Byron Rhett to the position of Project Coordinator for the

Western Addition, Hunters Point and India Basin Industrial Park Project Areas.

Mr. Wartelle arrived at this time, 4:25 p.m.

- (c) Leamon Abrams, Chief of Economic Development, referred to an informational memorandum that had been provided to the Commission outlining issues that had been raised at the community workshops on Economic Development. These issues have been identified and put into three different distinct areas: family stabilization; community development; and economic development. By the end of this month staff will have completed a Draft Economic Development Expenditure Plan recommending how to allocate the economic development funds for South Bayshore, Hunters Point and the Western Addition areas.

At Mr. Bagot's request to form a Sub-Committee on Economic Development, President King appointed Commissioners Bolanos, Kitahata and Wartelle to the Committee.

Mr. Bagot requested a weekly report on the status of the Economic Development program.

Ms. Bolanos indicated she had attended the two workshops and commended staff for their efforts. She noted the need for: a definition of economic development and how it will be applied to particular projects; an understanding of the parameters under Redevelopment law so the Agency can be used as an economic tool since the Agency cannot do social programs per se; accountability in addressing the needs of the community; and specific strategies that are going to be used based on the conditions of the project areas.

President King requested that staff discuss the points raised by Ms. Bolanos with the Sub-Committee on Economic Development.

Mr. Kitahata inquired if any different issues had been at the March 17 workshop than at the Western Addition workshop.

Mr. Abrams indicated that the accountability issue was raised and people are concerned that the Agency's involvement and redevelopment activities in the South Bayshore would lead to the same type of economic development programs as the Western Addition. The concern was that that if the Agency is going to be involved in promoting economic development in the South Bayshore that there be an increased measure of accountability to make sure that community residents benefit from those economic development activities.

Ms. Tsen noted that she supported the formation of a Sub-Committee on Economic Development but indicated that any decisions should be made by the whole Commission.

REPORT OF THE VICE PRESIDENT

- (a) A discussion ensued between the Commissions and staff regarding Supervisor Maher's call for a hearing on the Board of Supervisors taking over the Redevelopment Agency Commission.

UNFINISHED BUSINESS

- (a) Mr. Helfeld reported on item (a), which requests authorization for operation of the Cultural Facilities for the Yerba Buena Gardens Cultural Center in Yerba Buena Center. It is requested that this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 60-90, WOULD BE CONTINUED TO THE MEETING OF MARCH 27, 1990 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

Mr. Helfeld requested that item (c), a Contract for Space Planning Services with Robinson, Mills and Williams be continued for one week.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 63-90, WOULD BE CONTINUED TO THE MEETING OF MARCH 27, 1990 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (a) Awarding Demolition and Site Clearance Contract No. 84 to Cleveland Wrecking Company in the amount of \$38,615 for demolition of the structure located at 1714-1718 Laguna Street; Western Addition A-2.
- (b) Authorizing a Rental Agreement with Tutor-Saliba Corporation for use of Agency-owned property located at the southwest corner of Third and Mission Streets for construction related activities; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEMS (a) AND (b), RESOLUTION NUMBERS 61-90 AND 62-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

Mr. Helfeld requested that item (d) be taken up as the last item on the agenda.

- (e) Mr. Helfeld introduced item (e), which requests authorization to refund the Security Deposit in an amount of \$168,000 to Fourth and Harrison Associates, Inc. in connection with Parcel 3751-H, located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. Due to the Developer's failure to perform in accordance with the terms of the LDA authorized in September 1988, it was terminated effective March 15, 1990. Staff recommends

refund of the deposit subject to execution of a Termination Agreement.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of immediate execution of an LDA with GSI Holdings for the development of Parcel S-6 located at the westerly corner of LaSalle and Newcomb Avenues in Hunters Point. At the March 13 meeting, the Commission approved the LDA upon condition that it not be executed until the final forms of the documents in connection with the second mortgage subsidy program for the buyers of the units are approved by the Commission which could delay execution of the LDA by 90 days. However, execution is necessary in order for the developer to have the required site control to proceed with construction documents and arrange construction financing. The LDA as presented establishes definite Developer obligations regarding the income levels of buyers, prices of the units and marketing procedures. It also provides that the Agency has up to 90 days from the execution of the LDA to approve the final form of the restrictions and affordability controls. Within the ninety-day period, staff will provide the Commission with a complete summary of the final forms of the required documents. Approval of this recommendation will rescind the conditional Resolution No. 20-90, adopted March 13, 1990, and will approve a resolution similar in content but without the condition.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which is a Workshop to consider the issuance of a Request for Qualifications for the development of Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. As discussed under item (e), the LDA with Fourth and Harrison Associates terminated on March 15 and because of the desire of the South of Market community and the Agency for a full service supermarket in the area, it is proposed the parcel be re-offered for that purpose. The parcel is designated Business Services and Light Industry and the required ground floor use is a full service supermarket. The additional permitted uses are housing, hotel or other commercial development, above the supermarket, and required parking. The price will be determined based on an independent appraisal of the parcel based on its proposed use in response to the RFQ. However it shall not be less than \$2.248 million which is the Agency's obligation under the terms of the loan from Bank of America. The Commission has been provided with the provisions of the offering and the proposed

John Elberling, TODCO, noted his concern about whether the permitted uses would allow just parking and a supermarket; the need to stipulate the length of the supermarket lease; and that

the supermarket or hotel operator be required to participate in a job program.

Mr. Kitahata inquired regarding issuing a Request for Proposals, rather than a Request for Qualifications, to expedite the process.

Mr. Helfeld indicated that staff will contact the development community to ascertain interest and return to the Commission with a recommendation at the March 27 meeting.

President King announced that there will be a Closed Session on the subject of real property negotiations subject to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center. The entity the Agency's negotiator may negotiate with is YBG Associates. The meeting will then reconvene to take up item (d).

The meeting adjourned to a Closed Session at 5:00 p.m. and reconvened at 5:10 p.m. with the same roll call.

- (d) Mr. Helfeld introduced item (d), which is accepting the report of the Executive Director on the resolution of the Program for Central Blocks 2 and 3 in Yerba Buena Gardens of Yerba Buena Center. Staff has reached an agreement with Olympia & York on a program that has been provided to the Commission. The carousel is presently located on East Block 3, however, community groups would like to discuss this further.

Al Williams, Olympia & York, indicated he was pleased agreement had been reached on a program and he will work with the Agency and other interested parties regarding relocation of the carousel.

The following persons spoke regarding item (d): Calvin Welch, CCHO; Sue Hestor; Sue Bierman; and John Elberling, TODCO.

Following discussion, it was the consensus of the Commission that now a decision has been made on the program the next step is for Olympia & York to present overall costs. Also, the carousel issue must be resolved as soon as possible.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which is a staff report on Tollie Green's allegations of March 6, 1990.

John Friedman, Assistant Director, Community Services, reviewed a letter dated March 19, 1990, addressed to Mr. Green, responding to the allegations.

The Commissioners requested a breakdown on minorities and information on how many jobs have gone to African-Americans.

Bob Davis, Fillmore Center Associates, noted his concern about the issues raised. He indicated that the developer has attempted at all times in good faith to provide positive affirmative action and marketing programs. Bonding, which is required by banks, can be difficult for African-Americans to obtain.

The following persons spoke regarding item (h): Randall Evans; Richard Brown, EHHCC; Reverend Paul Douglas Jackson; Willie Ratcliff; Tollie Green; Valerie Daniels; Harold B. Brooks, Jr., Bayview/Hunters Point Association; Ace Washington, WAPAC; and Derf Butler.

Mr. Bagot left the meeting at this time, 6:10 p.m.

Following discussion, President King indicated that there would be further investigation by staff and a report will be made at the meeting of April 10.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Alvin P. Norman, Al Norman Plumbing, inquired regarding funds for economic development in the Western Addition and Hunters Point.

President King indicated that three Commissioners had been appointed to a Sub-Committee to arrive at a definition on economic development.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at 695 Bryant Street and the person with whom the Agency negotiator may negotiate with is Michael Strunsky.

There will not be a Closed Session on Personnel as indicated on the agenda.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, March 16, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MARCH 16, 1990.

The item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. The entity the Agency may negotiate with is San Francisco Associates Development Group.

ADJOURNMENT

Minutes of a Regular Meeting, March 20, 1990

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 7:00 p.m.

Respectfully submitted,

Patsy R. Oswald
Agency Secretary

APPROVED: May 1, 1990

SF
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#4
3/27/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF MARCH, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of March, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

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and the following was absent:

Paul Wartelle (Arrived 4:15 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Katherine Nash, Rainbow/WANA; Andrew Potter; Harold B. Brooks, Jr.; Debra Edgerly; Ace Washington, WAPAC; Essie Collins; Don Tayer, President, Jerry Allen, Executive Director, Michaela Cassidy, Treasurer, Yerba Buena Gardens Cultural Center; and Lillian Goldwaite, Executive Director, Dance Bay Area.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On March 26, the Board of Supervisors passed a resolution approving the Agency's Budget Amendment in an amount of \$591,555 for Fiscal Year 1989-90 to provide financial assistance to ten community-based organizations engaged in affordable housing development, preservation and marketing services and rehabilitation of community facilities.
- (b) The Commission has been provided with a memorandum dated March 26, 1990 reporting on the cumulative hiring experience in the Fillmore Center and it is believed the Agency and the Developer have come a long way towards achieving affirmative action goals.

Mr. Wartelle arrived at this time, 4:15 p.m.

- (c) On March 26, Supervisors Maher and Walker introduced legislation looking into reorganization and change in the Redevelopment Commission. It is tentatively set to be heard by Committee on April 3.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested a workshop be held on Brown Act Regulations to give the public an understanding of the legal basis for the Commission holding closed sessions and if there is another way, such as workshops, instead of closed sessions to discuss Agency matters.

President King indicated an opinion from legal staff would be forthcoming before action is taken.

Mr. Helfeld noted that the Commission has not held any closed sessions that are not in conformance with the Brown Act regulations.

- (b) Mr. Bagot requested that a workshop on First Source Hiring be held.

Mr. Wartelle requested a workshop on Affirmative Action be held.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Agreement for operation of the Cultural Facilities for the Yerba Buena Gardens in Yerba Buena Center. In response to questions raised regarding the cost for operating the facilities and the Agency's commitment to provide an operating subsidy, the 1984 DDA with YBG Associates sets forth the priorities of the expenditure of revenues from the project and clearly states that the Gardens take precedence in funding use over the cultural facilities. A review of the 1984 Gardens operating projections indicates that there may not be sufficient funds to fully pay for the Gardens and cultural buildings security and operation and maintenance in the future. However, it is difficult to draw that conclusion until the business points with Olympia and York have been concluded. After conclusion of negotiations with O & Y and final resolution of design, staff will undertake a thorough updating of the Financing Plan. The Commissioners have been provided with a draft of the Agreement which, if approved, will be forwarded to the City for approval under the terms of the Indebtedness Limitation Agreement.

The following persons requested approval of item (a): Don Tayer, President, Michaela Cassidy, Treasurer, and Jerry Allen, Executive Director, Yerba Buena Gardens Center Cultural Center; and Lillian Goldthaite, Executive Director, Dance Bay Area.

Helen Sause, Project Director, Yerba Buena Center, responded to questions from the Commissioners regarding: the purposes for which funds would be expended; the budget for the Cultural Center; current and anticipated revenues from the Marriott Hotel.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Contract, in an amount not to exceed \$60,000, for Space Planning Services with Robinson, Mills and Williams in connection with the Agency's new offices located at 770 Golden Gate Avenue, San Francisco. Under the terms of the lease with the San Francisco Employees Credit Union, certain space planning services are to be provided. However, during the course of the development of the preliminary space plan by the landlord's architect, a number of problems developed resulting in a need for the Agency to retain its own space planning architect to refine the work. Robinson Mills and Williams has performed other architectural work well for the Agency in the past and was available on short notice. In addition, the firm has a satisfactory affirmative action record. A contribution will be sought from the Credit Union towards the costs of the additional space planning services.

The Commissioners noted their concern that the contract had not been put out for public bid.

Mr. Helfeld indicated that normally staff would have requested bids from architectural firms, however, given the time frame, staff recommends that the contract with Robinson, Mills and Williams be authorized.

The Commissioners requested that a policy on the selection process for personal service contracts be prepared.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-90 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

At the request of Ace Washington, WAPAC, President King indicated that item (d) would be removed from the Consent Agenda and considered as a Regular Agenda item.

- (a) Authorizing a First Amendment in an amount of \$33,500 to the Personal Services Contract with Leo E. Borregard; All Redevelopment Project Areas.
- (b) Authorizing an Agreement in an amount not to exceed \$5,000 for Legal Services with Cassidy & Verges (Robin Paige Donoghue).
- (c) Authorizing a Second Amendatory Agreement, which revises the performance schedule, to the Land Disposition Agreement with Chong Wong, Lee Nguey How Huey, Matthew Huey and Hannah Chiu Huey for 1905-1907 O'Farrell Street in the Western Addition A-2.
- (e) Authorizing foreclosure action to recover Special Tax on Parcel 3793-1 (Site L), Community Facilities District No. 1 (South Beach); Rincon Point-South Beach.

- (f) Authorizing extension of the Memorandum of Agreement with United Public Employees, Local 790.
- (g) Authorizing extension of the Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEMS (a), (b), (c), (e) (f), (g), RESOLUTION NUMBERS 67-90, 68-90, 69-90, 71-90, 72-90 AND 73-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization of a First Amendatory Agreement, which revises the performance dates, to the Land Disposition Agreement with Fillmore Renaissance Associates for Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. This extension is being requested because the developer needs additional time for design work.

Ace Washington, WAPAC, indicated he supported the development but would like this item held pending a status report.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization to issue a Request for Proposals (RFP) for the development of a parcel located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center and approving advertising expenses related thereto in an amount not to exceed \$6,000. It is proposed to offer the parcel for a 45-day period and pursuant to the desire of the South of Market Community and the Agency for a full service supermarket, selection priority will be given to preference categories of: supermarket; mixed use development consisting of a supermarket and housing with priority being given to a proposal with an affordable housing component; a supermarket with hotel; and a supermarket with other commercial uses. The Commission has been provided with a summary of the proposed draft RFP.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-90 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests approval of an Amendment to the proposed Budget for Fiscal Year 1990-1991 for the purpose of funding the Telegraph Neighborhood Center to undertake certain Social, Economic and Job Development Programs related to the proposed Fisherman's Wharf Redevelopment Project and authorization to submit the Amended Proposed Budget to the Mayor and Board of Supervisors. It is requested this item be continued for one week at the request of the Mayor's Budget Office.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (i), RESOLUTION NO. 75-90, WOULD BE CONTINUED TO THE MEETING OF APRIL 3, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (j) Mr. Helfeld introduced item (j), which requests approval of an Amendment to the proposed Budget for Fiscal 1990-1991, which increases the amount by \$6.2 million, for the purpose of acquiring a site to facilitate the development of a Commercial Grocery Store in the South Bayshore and authorization to submit the Amended Budget to the Mayor and Board of Supervisors. It is requested this item be continued for one week at the request of the Mayor's Budget Office.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (j), RESOLUTION NO. 76-90, WOULD BE CONTINUED TO THE MEETING OF APRIL 3, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (k) Mr. Helfeld introduced item (k), which requests authorization to expend up to \$32,500 for Computers and Related Equipment and Staff Training in the Agency's Legal Office. The Legal Office currently has outdated equipment and a computerized program has been developed which will be consistent with its workload and staffing as well as the Agency's overall program to computerize its operations to increase productivity and efficiency.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-90 BE ADOPTED.

- (l) Mr. Helfeld introduced item (l), which requests Adoption of a Resolution commemorating National Community Development Week and the Community Development Block Program (CDBG) as a valuable tool to serve the needs of communities and low and moderate income persons. The week of April 7 to 14, 1990 has been designated by several national organizations as National Community Development Week to focus attention across the country on the people and programs benefitting from CDBG program funding. This recognition is also to highlight the local activities and programs assisted by the CDBG program which has provided services and assistance for the City's residents for over sixteen years. The CDBG Program is slated for a funding reduction in the 1991 budget President Bush submitted to Congress. Although the Administration is requesting an increase of \$5.3 billion for the overall HUD budget in fiscal year 1991, CDBG would take a 6 percent reduction, representing a decrease of \$163 million. In addition, the Secretary of HUD has introduced legislation which primarily concerns creation of home ownership opportunities which would permit the required local match for Federal funding to be taken from the CDBG program. This resolution will be shared with the Mayor's Office of Community Development and appropriate Congressional representatives.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-90 BE ADOPTED.

- (m) Mr. Helfeld introduced item (m), which is a Workshop to discuss the marketing approach for a parcel located at the southwesterly corner of First and Bryant Streets in Rincon Point-South Beach. In 1988 the land was valued at approximately \$1.9 million for commercial use which exceeds the residential use value of \$800,000 by \$1.1 million. Updated appraisals are in the the process of being obtained. Although commercial or residential development is permitted, based on the difficult site conditions, residential density constraints and significantly greater land value for commercial development of the site, staff is recommending it be marketed for its revenue generating potential rather than as a housing resource. After an evaluation, it was determined that marketing the site could result in more affordable housing through the land sale proceeds and tax increment to be derived than would be achieved through direct use of the site for affordable housing. Upon Commission approval to offer the site for sale at a minimum price of the updated valuation for commercial development, proposals would be sought from qualified developers which would include a bid to purchase the site and a description of the proposed development. It should be noted that at this time the Redevelopment Plan does not permit development of the site for live/work space in which use some interest has been expressed. However, a plan amendment currently underway would make this an allowable use and potential developers will be so advised.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, gave a brief description of the marketing approach proposed by staff.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Wshington, WAPAC, spoke on items regarding the Western Addition.

President King announced that there would be two Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entitiies the Agency may negotiate with are:

northeast corner of Third and Mission Streets, Yerba Buena Center, with Griffin Related Properties; and

east side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art.

There are three additional Closed Session items which arose subsequent to the posting of the agenda on Friday, March 23, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission is required to add these items.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON MARCH 23, 1990.

The items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties' locations and entities the Agency may negotiate with are:

Site L, generally bounded by Second, King and Townsend Streets in Rincon Point-South Beach with Trammel Crow; and

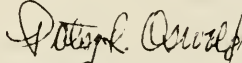
770 Golden Gate Avenue in the Western Addition A-2 with City and County of San Francisco Employees Credit Union; and

bounded by Jackson, Drumm, Washington and The Embarcadero-Lower Market (Golden Gateway) with the owner and owner's counsel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:35 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: May 1, 1990

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4/3/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF APRIL, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of April, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia S. Bolanos
Gary Kitahata
V. Fei Tsen
Paul Wartelle

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and the following were absent:

Buck Bagot, Vice President (Arrived 5:20 p.m.)
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Carla Javitts, Department of Social Services; Scott Madison and Pamela Sims, New Bayview Committee; Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations; John Elberling, TODCO; Sally Landis, Landis Designs, 655 Bryant; Dr. Roger Mansfield and Pauline Roach, Researchers, 731 Bryant; Eric Maiwer, San Pacific Imports, 542 Brannan; Uoo-Chung Kang, The Korea Daily News, Inc., 679 Bryant; Gail and Richard Orgell, Owner 735 Bryant; Andre J. Pechbultres representing Walter Vendegetti, Owner of 780 Bryant; Kyung Yoon and Elaine Badgley Arnoux, EBA School of Art, 689 Bryant; David M. Banfrier, Facilities manager rep. Landlords, 645-655 Bryant; Tony Orgell, employee near 695 Bryant; Greg Melanson, Business and Property Owner, 731 Bryant; Richard Leland, representing George Walter, attorney for Clothing Clearance Center; Vikki Hart, 780 Bryant; Anne Desmond, Fetterman Leasing, 340-360 5th Street; Fillmore Marks, Owner, 659 Bryant Street; Leno Piazza, San Francisco Flower Growers Association, 644 Brannan; Lawrence O. Matthews III, Matthews Industrial Property, Inc., 333 5th Street; Tricia James, South of Market Business Association; Sharon Grace, South of Market Neighborhood Association, 258 Clara Street; Antonio Mariani, 701 Bryant; Lillian Bulgarello; 753-761 Bryant; Ray Horowitz, 695 Bryant; Shin Kang; Elizabeth Nuno, Magda Sceveto, Mayra Sakguere, Shirley Diaz and Sonia Feledon, 735 Bryant; J.E. Diaz; Dick Batts, 725 Bryant; Steve Beckerman, 739 Bryant; Robert Otsuka and Angelo Stagnaro, 644 Brannan; Derf Butler; and Robert Barraccia, MEDA.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of February 6, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A Lease Agreement has been signed for the Agency's new office space at 770 Golden Gate Avenue with the San Francisco City Employees Credit Union. Staff expects to be moved in by mid-September of this year.
- (b) The Commissioners have been provided with a letter from Mayor Agnos encouraging all Commissions to hold meetings in the City's neighborhoods and requesting a response as to how each Commission decides to meet neighborhood meeting goals.
- (c) The Commissioners have been provided with a copy of an article from the New York Times favorably critiquing Marriott Hotel.
- (d) A letter has been received from Rudy Nothenberg, Chief Administrative Officer, indicating that the roof of the Moscone Convention Center would not be completed until August 1991.
- (d) Gene Suttle Senior Executive Director, indicated that the Commission has been provided with a copy of the Agency-published directories of minority and woman contractors, consultants and firms offering specialized services. There is also a short list of minority and woman bond counsel, backhoe operators, asbestos abatement firms, janitorial firms and resources for assisting M/WEB's. The Directory of Minority Truckers is in the process of being redesigned. Mr. Suttle also reported on the Agency's Personal Services Contracts relating to Minority/Woman contracting efforts for July 1989 through March 31, 1990.

UNFINISHED BUSINESS

- (a) Mr. Helfeld report on item (a), which requests approval of of an Amendment to the proposed Budget for Fiscal 1990-1991 for the purpose of funding the Telegraph Neighborhood Center to undertake certain Social, Economic and Job Development Programs related to the proposed Fisherman's Wharf Redevelopment Project and authorization to submit the Amended Proposed Budget to the Mayor and Board of Supervisors. The Amendment is pursuant to a request on February 20, 1990, at which meeting the Budget was approved, by the Telegraph Hill Neighborhood Association for funds to pursue certain programs related to the residents of the Wharf area and of North Beach Place, the public housing facility in the area. The program envisages creation of: a community hiring hall and skill bank; a Women's Economic Development Program targeted toward

low/moderate and very low income women; and a wine bottle recycling program as an economic enterprise. The Commission has been provided with a concept paper submitted by the Center containing further information on the proposed programs and budget. In order to fund the proposed contract services offered by the Telegraph Hill Neighborhood Center, the Budget amount would be increased by \$265,000. It should be noted that the expenditure of funds for Wharf activities is contingent on the creation of a Fisherman's Wharf Redevelopment Project Area and a merger of that project area with the Golden Gateway Project Area.

Mr. Wartelle inquired if there were any changes to the material provided to the Commission and Mr. Helfeld indicated that there is an inconsistency between the memorandum and the language in the resolution relative to identifying the Telegraph Hill Neighborhood Center as the contractor.

Following discussion, it was decided to continue this item for one week.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 75-90, WOULD BE CONTINUED TO THE MEETING OF APRIL 10, 1990, AT THE REQUEST OF THE COMMISSION. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which and requests approval of an Amendment to the proposed Budget for Fiscal 1990-1991, which increases the amount by \$6.2 million, for the purpose of acquiring a site to facilitate the development of a Commercial Grocery Store in the South Bayshore and authorization to submit the Amended Proposed Budget to the Mayor and Board of Supervisors. Subsequent to closure of a Safeway store in 1988, staff conducted a survey of potential sites in South Bayshore/Hunters Point for the location of a commercial grocery store. The survey was undertaken because community groups and residents expressed a need for a store and the population of the area indicates the requisite demand to support a large grocery store. The Agency has several completed and current projects which compliment the development of a commercial grocery store. Site selection was determined based on the location, the size of the site, the number of current owners, the existing land uses, and demolition and relocation costs. There are parcels in the South Bayshore which could accommodate the anticipated development without prohibitive economic and social costs for site assemblage. Should a site be selected for the supermarket development, full relocation services and benefits will be afforded to the current occupants and no development activities will take place until all of the occupants have been successfully relocated. The Commission memorandum contains a cost analysis of potential revenues and economics of the project. It is estimated 120 new jobs would be created for which the Agency would require resident employment goals to maximize employment opportunities for neighborhood residents. Following refinement of estimated costs and revenues, it is proposed to issue a Request

for Proposals at which time the project viability would be assessed.

The following persons spoke in support of item (b): Scott Madison and Pamela Sims, New Bayview Committee; and Harold B. Brooks, Jr., Bayview/Hunters Point Association of Community Organizations.

Upon inquiry from Mr. Kitahata regarding the closure of the Safeway store in 1988, Leamon Abrams, Chief of Economic Development, indicated he did not believe the store closed for economic reasons but because of corporate strategy.

Upon inquiry from Mr. Kitahata, Mr. Abrams indicated that a site has not been identified and it is planned to work with the community in this regard.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-90 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an extension of Exclusive Negotiations, until July 4, 1990, with BRIDGE Housing Corporation for the development of housing on Site K in Rincon Point-South Beach.
- (b) Authorizing a Rental Agreement with Tutor-Saliba Corporation for use of Agency-owned property at the northeast corner of Fourth and Howard Streets for construction related activities; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEMS (a) AND (b), RESOLUTION NUMBERS 79-90 AND 80-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization to amend the City's Emergency Earthquake Loan Program and Criteria to establish a Phase II Earthquake Program with the Mayor's Office of Business and Economic Development (MOBED) to assist small businesses adversely affected by the October 17, 1989 Earthquake. In November 1989, the Commission approved \$300,000 to fund an Emergency Earthquake Loan Program to assist small business adversely affected by the earthquake and MOBED allocated \$100,000 for a total loan fund of \$400,000. To date, eleven small business loan requests have been processed and the total remaining is \$270,400. However, changes in the existing program and criteria are needed to assist earthquake affected businesses, mostly in the South of Market area, who are not eligible under the present program. The proposed changes provide that: up to 50 percent or \$7,500 of the loan amount can be funded for working capital instead of 30 percent; consideration will be given to qualified concerns who have been in business for one year, rather than three years; and funds will be available until May 2, 1990, rather than

April 2, 1990, or until funds are exhausted, whichever occurs first. There are also additional documentation and security requirements added to the Phase II Program.

Mr. Kitahata suggested approval be contingent upon MOBED spending their allocation of \$100,000.

Commissioners Wartelle and Tsen indicated their preference would be for staff to suggest this to MOBED rather than making it a condition of approval of the resolution.

Mr. Kitahata indicated he would support this item but requested staff report back on discussions with MOBED regarding expenditure of the \$100,000.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for the Executive Director to execute a Letter of Intent Proposal from the Owner of 695 Bryant Street in connection with a Lease and Purchase Option of the property for use as a Multiservice Center for the Homeless. The Mayor's Homeless Master Plan includes the establishment of two multiservice centers for the homeless in the North and South of Market neighborhoods to expand the capacity of the shelter system and reduce the number of homeless people staying in public places. At the request of the Deputy Mayor, and at the instruction of the Agency Commission, staff initiated negotiations with the owner of 695 Bryant Street. The Department of Social Services has issued a Request for Proposals to identify an experienced nonprofit service provider to sublease and operate the building which would provide a shelter for 200 people and a number of services designed to integrate them back into independent living. The lease provides for: an 18 month term commencing April 25, 1990; a monthly payment by the Agency of \$17,000; a purchase option giving the Agency an assignable right to purchase the property which could not be exercised for six months and is conditioned upon notification to the owner of an intent to exercise the option within one year of execution of the lease; payment by the Agency of \$50,000 upon execution of the lease, which is not refundable and would be credited towards the purchase price of \$2.3 million. Funding for the lease payments would be provided by rental income from the One Federal Street warehouse owned by the Agency. Option payments would be made from the \$1.5 million set aside for Housing for Homeless in the Agency's City-wide Housing Program. Repayment of the fees will be sought if the City is able to raise full funding to complete the acquisition. The purpose of the lease is to allow the City to begin a multiservice program as soon as possible and the purpose of the assignable option is to lock in the purchase price to enable the City to take up to a year to complete the normal hearings and approval processes before the Planning Commission and the Board of Supervisors before deciding whether to purchase this specific site. Upon authorization to sign the Letter of Intent

Proposal, inspections and other relevant items will be completed and a lease, which could be assigned to the City, will be brought before the Commission for consideration at the April 17, 1990 meeting.

The following persons spoke in opposition to item (d): Dr. Roger Mansfield; Researchers, 731 Bryant; Eric Maier, San Pacific Imports, 542 Brannan; Uoo-Chung Kang, The Korea Daily News, Inc., 679 Bryant; Gail Orgell, Owner, 735 Bryant; Andre J. Pechbultres, representing Walter Vendegetti, Owner of 780 Bryant Street; Kyung Yoon and Elaine Badgley Arnoux, EBA School of Art, 689 Bryant; David M. Banfrier, Facilities Manager rep. Landlords, 645-655 Bryant; Tony Orgell, employee near 695 Bryant; Greg Melanson, Business and Property Owner, 731 Bryant; Richard Leland, representing George Walter, attorney for Clothing Clearance Center; Vikki Hart, 780 Bryant; Fetterman Leasing, 340-360 5th Street; Fillmore Marks, Owner, 649 Bryant; Leno Piazza, San Francisco Flower Growers Association, 644 Brannan; Laurence O. Matthews III, Matthews Industrial Property, Inc., 333 5th Street; Tricia James, South of Market Business Association; Sharon Grace, South of Market Neighborhood Association, 258 Clara Street; and Antonio Mariani, 701 Bryant Street.

Mr. Bagot arrived during public comments, 5:20 p.m.

John Elberling, TODCO, spoke in support of item (d).

Brad Paul, Deputy Mayor for Housing and Neighborhoods, addressed issues raised by the speakers. He emphasized the need for this program and noted that action today is only approval of intent. There will be further opportunities for community input and every effort will be made to inform the public of meetings that are scheduled.

Carla Javitts, Department of Social Services, explained the proposed program and believed this would be a long term solution to housing the homeless.

Bill Rumpf, Chief, Housing Production and Management, explained the approval process and indicated a Neighborhood Advisory Committee will be formed to maintain ongoing communications.

Mr. Wartelle indicated his support of this item because it is an experiment in solving the homeless problem. However, he hopes the City will address the concerns raised by the speakers.

Mr. Bagot noted his support of this item because there is a need for a long term solution to the homeless problem.

Ms. Tsen noted her support of this item and indicated this is an extremely difficult problem but the Mayor has a bold new plan to deal with it systematically and that community concerns will not be ignored.

Mr. Kitahata requested a workshop be held in the community with Agency staff, the Mayor's Office and the Department of Social Services.

Brad Paul indicated that workshops are being arranged.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-90 BE ADOPTED.

President King indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (e). The meeting recessed at 6:15 p.m. and reconvened at 6:20 p.m. with the same roll call.

- (e) Mr. Helfeld introduced item (e), which is a workshop to discuss a proposal by Trammel Crow to develop Site L in Rincon Point-South Beach. The Trammel Crow Company has obtained an option on the site and proposes to construct 205 condominiums. Because the units would be sold at market-rate prices, it is necessary to determine an inclusionary housing contribution for the project. In this connection, the Developer would provide affordable housing off-site or contribute an in-lieu fee to the Agency to be used for affordable housing. Presentations will now be made on a proposed inclusionary housing contribution and the conceptual design of the project. Following acceptance of the design and affordable housing plan by the Commission, staff will proceed with preparation of an Owner Participation Agreement.

Ron Zeff, Trammel Crow Company, introduced the development team and responded to questions from the Commissioners.

George Myer described the design concept.

President King announced that there would be three Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties locations and entities the Agency may negotiate with are:

northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties I; and

east side of Third between Hunt and Masset Place in Yerba Buena Center with the San Francisco Museum of Modern Art; and

southeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Center Associates/West Bay Community Center.

There will also be a Closed Session on Personnel.

There are two additional Closed Session items which arose subsequent to posting of the Agenda on Friday, March 30, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MARCH 30, 1990.

These items are pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties locations and entities the Agency negotiator may negotiate with are:

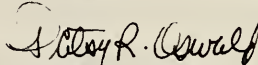
northwest corner of Folsom and Steuart Streets in Rincon Point-South Beach with Cal Trans; and

Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to five Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 22, 1990

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4/10/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF APRIL, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of April, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia S. Bolanos
Gary Kitahata
Paul Wartelle

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and the following were absent:

Buck Bagot, Vice President (Arrived 4:10 p.m.)
V. Fei Tsen (Arrived 4:25 p.m.)
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Yvette McCoy, Progress Seven, Inc; Dr. R.A. McCoy, Future Perfect, Inc; Ester Woeste, Golden Gateway Tenants Association & SFHTC; John Lu, Golden Gate Residential Association I; John Elberling, TODCO; and Al Norman, Bayview Minority Contractors.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. Wartelle, and unanimously carried that the minutes of the Regular Meeting of February 20, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) A meeting is scheduled with the Mayor on April 16 at 10:00 a.m. to discuss the Agency's 1990-1991 Budget. The Mayor's Office has requested that the President and Vice President of the Commission and the Executive Director attend.

President King announced that there will be a Closed Session on the subject of real property negotiations pursuant to Government Code

Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 2, Central Block 3 and East Block 2, in Yerba Buena Gardens of Yerba Buena Center. The entity with whom the Agency's negotiator may negotiate is YBG Associates.

The meeting adjourned to a Closed Session at 4:10 p.m. and reconvened to the Regular Session at 4:50 p.m. with the following roll call:

Buck Bagot, Acting President
Sonia S. Bolanos
Gary Kitahata
V. Fei Tsen
Paul Wartelle

Commissioners Bagot and Tsen arrived during the Closed Session at 4:10 p.m. and 4:25 p.m. respectively.

President King left during the Closed Session, 4:35 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of an Amendment to the proposed Budget for Fiscal 1990-1991 for the purpose of funding the Telegraph Neighborhood Center to undertake certain Social, Economic and Job Development Programs related to the proposed Fisherman's Wharf Redevelopment Project and authorization to submit the Amended Proposed Budget to the Mayor and Board of Supervisors. The Amendment is pursuant to a request on February 20, 1990, at which meeting the Budget was approved, by the Telegraph Hill Neighborhood Association for funds to pursue certain programs related to the residents of the Wharf area and of North Beach Place, the public housing facility in the area. In order to fund the proposed contract services offered by the Telegraph Hill Neighborhood Center, the Budget amount would be increased by \$265,000. Misunderstandings that arose at the April 3, 1990 meeting have now been clarified and staff recommends approval of the budget amendment.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-90 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a First Amendatory Agreement to the Land Disposition Agreement with Future Perfect, Inc., which revises the performance schedule and the affordability language, for Parcel AA-2 located at the westerly side of Keith Street at the Project Boundary in Hunters Point.
- (b) Authorizing a First Amendatory Agreement to the Land Disposition Agreement with Progress Seven, Inc., which revises the performance schedule and the affordability language, for Parcel EE-1 located on the northerly corner of Newcomb Avenue and Whitney Young Circle in Hunters Point.

Mr Helfeld noted the presence of representatives of Future Perfect, Inc. and Progress Seven, Inc.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEMS (a) AND (b), RESOLUTION NUMBERS 83-90 AND 84-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

(c) Mr. Helfeld introduced item (c), which requests authorization to adopt a Housing Participation Policy for new residential developments located in Redevelopment Project Areas. The proposed Policy is based upon staff research and addresses concerns raised at a public workshop held on March 13. It sets guidelines for maximizing the number of affordable housing units in new residential projects and sets percentage goals for Land Disposition Agreements (LDA's) and Owner Participation Agreements (OPA's) that will be implemented on a case-by-case basis. The guidelines are that: housing participation units shall be targeted to low and moderate income households as defined in the Agency's Mission Statement and shall generally apply to projects containing 20 or more units; on Agency-owned parcels designed for residential use, a mandatory requirement will be included in LDA's that a minimum of 40 percent of the units constructed on-site are affordable and incentives for developers to meet this requirement can only be granted at the sole discretion of the Commission; on privately-owned land, the policy shall be implemented in OPA's for projects seeking significant discretionary approvals such as a density bonus, land use change or a Redevelopment Plan change with the amount of housing to be determined on a case-by-case basis; in OPA's an in lieu cash contribution may be allowed as an alternative to producing on-site or off-site housing; housing created shall be affordable for the life of the project unless financing or legal impediments require a lesser time, however, in no event shall it be for less than 50 years. In the future, a public workshop shall be convened at least 30 days prior to calendaring of an OPA or LDA for approval to discuss the project's affordable housing component and related issues.

Esther Woeste, Golden Gateway Tenants Association & SFHTC, spoke in support of item (c).

John Elberling, TODCO, noted his support of item (c), but suggested that clarifying language be added to No. 9, page 2, of the Policy to indicate compensating community benefits be of comparable value.

Following discussion, the following motion was adopted:

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT NO. 9 OF THE HOUSING PARTICIPATION POLICY BE AMENDED TO READ: "THE AGENCY MAY APPROVE PROJECTS UNDER CERTAIN CIRCUMSTANCES WITH LOWER HOUSING PARTICIPATION REQUIREMENTS,

PROVIDED THAT THERE ARE OTHER CLEAR, COMPENSATING COMMUNITY BENEFITS OF COMPARABLE VALUE (FOR EXAMPLE, PROVISION OF DAYCARE FACILITIES, PROVISION OF A NEIGHBORHOOD-SERVING SUPERMARKET, ETC.)".

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a contract, in an amount not to exceed \$30,000, with Young Community Developers, Inc. for Construction Employment Services in Hunters Point. It is requested that this item be continued.

Al Norman, Bayview Minority Contractors, noted that funds are needed for this program and requested approval of this item.

RULE OF THE CHAIR: ACTING PRESIDENT BAGOT INDICATED, THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 86-90, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Acting President Bagot announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

east side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art; and

northeast corner of Polk and Geary Streets with Bernard Osher and Irving Rabin.

There are three additional Closed Sessions which arose subsequent to the posting of the agenda on Friday, April 6, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY Mr. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON APRIL 6, 1990.

The first item is pursuant to Government Code Section 54956.9 to advise the Commission regarding exposure to litigation.

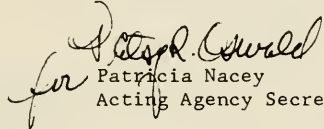
The second item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2. The entities with whom the Agency negotiator may negotiate with are Fillmore Center Associates/West Bay Community Center.

The third item is pursuant to Government Code Section 54957 to discuss personnel matters.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations, a Closed Session on Litigation and a Closed Session on Personnel. The meeting adjourned at 5:05 p.m.

Respectfully submitted,


for Patricia Nacey
Acting Agency Secretary

APPROVED: May 8, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF APRIL, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of April, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
V. Fei Tsen
Paul Wartelle

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and the following were absent:

Sonia Bolanas
Gary Kitahata
Haig G. Mardian

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The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; L. Jamie Jamerson; Essie Collins; Randall Evans; Bob Davis and Morris Phillips, Fillmore Center Associates; Myron Bishop; Ed Quinn, McDonough, Holland & Allen; Grandville Jackson and Ernest Oliver, Westbay Local Development Corporation.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A Public Workshop on Affirmative Action will be held at the next Agency meeting on April 24 at 4:00 p.m.

John Elberling, TODCO, has requested the next Agency meeting be held in a neighborhood location, however, a notice has already been sent out with regard to the Affirmative Action Workshop. In addition, a workshop on the Conceptual Design for the Esplanade in Yerba Buena Center is scheduled as well as action on a Multiservice Center for the Homeless at 695 Bryant. An Agency meeting in a neighborhood will be scheduled in the near future, pursuant to the Mayor's suggestion.

- (b) A Joint Meeting between the Redevelopment Agency and City Planning Commissions is scheduled for April 26, 6:00 p.m., Room 282, City Hall, regarding the South of Market Earthquake Recovery Area.
- (c) On April 16, there was a Neighborhood Meeting regarding the Multiservice Center for the Homeless at 695 Bryant Street which was attended by Paul Prentiss, Homeless Coordinator, Department of

Public Health; Carla Javitts, Department of Social Services; and Bill Rump, Agency Chief of Housing. The attendees at the meeting were highly critical of the proposed location for the Center.

REPORT OF THE VICE PRESIDENT

- (a) San Francisco Tomorrow is in opposition to hotels within 100 feet of the waterfront.
- (b) Staff is to be commended on the recent Newsletter regarding the Redevelopment Agency.
- (c) Mr. Bagot requested arrangements be made to meet in the South of Market neighborhood in the near future.

Mr. Helfeld indicated that efforts will be made to coordinate a meeting at which actions affecting that neighborhood are to take place.

- (d) Mr. Bagot requested a report on the difficulties the Airport Commission is having with the Human Rights Commission regarding affirmative action.

REPORT OF OTHER COMMISSIONERS

- (a) Ms. Tsen indicated that this would be her last meeting until the end of June and requested she be kept informed on Agency matters.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Personal Services Contract with Jackson Associates for telephone consulting services in an amount of \$8,000.
- (b) Authorizing a First Amendatory Agreement to the Land Disposition Agreement with Maria C. Donat in connection with the rehabilitation of 1030 Broderick Street in the Western Addition A-2.
- (c) Authorizing a Ninth Amendatory Agreement, which revises the schedule of performance to the Community Center Building, to the Agreement for Disposition of Land for Private Development with Fillmore Center Associates in connection with parcels located between Fillmore, Geary, Steiner and Turk Streets, and at the southeast corner of Fillmore and Eddy Streets in the Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (c), RESOLUTION NOS. 87-90 THROUGH AND INCLUDING 89-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Conditional Grant Agreement with Fillmore Center Associates and

West Bay Local Development Corporation to provide \$1.2 million in construction funds for the Community Services Center located at the corner of Eddy and Turk Streets in the Western Addition A-2. In the Spring of 1988, the Agency agreed to contribute \$1 million to pay for an addition to the Community Services Center. The \$1 million grant is conditioned upon: Agency funds to be expended only after the developer has used all of its funds and the funds will be disbursed on a schedule of payments and confirmation by Agency staff that the work has been completed; the developer will be responsible for construction of the building and will provide any additional funds that may be required if there are cost overruns or if an anticipated grant of \$250,000 from the Mayor's Office of Community Development does not materialize; the developer will hold the Agency harmless as well as provide appropriate insurance during the construction period; and West Bay agrees to operate and maintain the services building as a community services building for the life of the project. Fillmore Center Associates has informed the Agency that there is a \$600,000 shortfall to complete the Community Services Building and has requested a \$200,000 loan from the Agency in addition to a \$1 million grant. The loan would be repaid no later than one year after the Fannie Mae permanent financing is in place and would be funded by bond fees in the amount of \$200,000 that the developer owes the Agency. Fillmore Center Associates will provide the remaining funds through value engineering and additional contributions on its part. Financing difficulties have delayed start of construction and an extension has been requested of the dates for issuance of a building permit and start of construction until May 1 and May 30, 1990, respectively.

The following persons spoke regarding item (d): Ace Washington, WAPAC; Essie Collins; Randall Evans; Grandville Jackson and Ernest Oliver, Westbay Local Development Corporation; and L. Jamie Jamerson.

Upon inquiry from Ms. Collins, Gene Suttle, Senior Deputy Executive Director, indicated that Fillmore Center Associates will retain ownership of two small parcels on the west side of Fillmore Street for a condominium/commercial development in accordance with a signed agreement. The Agency requested commercial to keep Fillmore Street active.

The Commissioners noted their concern that there may be further cost overruns.

Byron Rhett, Project Coordinator, Western Addition A-2, responded to questions from the Commissioners regarding construction costs; and the financing arrangements.

Ms. Tsen noted that she would be reluctant to approve any further requests from the developer for funding.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Small Business Loan in an amount not to exceed \$35,000 from the Approved India Basin Small Business Loan and Investment Program to Myron Bishop dba: Myron and Gail Sportswear to establish a sportswear store in Bayview Plaza in the India Basin Industrial Park. In November 1989, \$434,000 was authorized for the Loan Program which is intended to provide below-market rate interest loans to qualified business enterprises to establish or expand business in the Project Area. To date, two loan requests have been approved to assist businesses in Bayview Plaza and a balance of \$254,000 remains in program funds. A loan request of \$50,000 was submitted by Mr. Bishop to the Mayor's Office of Business and Economic Development (MOBED) and its Loan Administration Committee who approved an amount of \$35,000 for five years at 8 percent per annum, subject to certain conditions as outlined in staff memorandum of April 17, 1990. An analysis and recommendation prepared by MOBED and its Loan Committee has been provided to the Commission. Allocation of funds would be: working capital of \$20,000 to purchase inventory; and \$15,000 to purchase fixtures/furniture and equipment. Mr. Bishop currently operates a store on Third Street and the findings of an independent analysis obtained by staff from Laventhol & Howarth supports recommendations of both the Loan Board and Urban Economic Development Corporation (UEDC) that the Third Street store be closed and relocated to Bayview Plaza which will be a pre-condition to loan approval.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 91-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Tenth Amendment, which increases the amount payable by \$100,000 for a total contract amount of \$875,000, to the Legal Services Agreement with McCutchen, Doyle, Brown & Enersen in connection with All Redevelopment Project Areas. This law firm has consistently rendered outstanding services for the Agency since 1979 and the requested action will provide for continued representation in connection with ongoing complex litigation and other miscellaneous matters. The Commission has been provided with a report on the firm's affirmative action program which is considered highly satisfactory.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

The following persons spoke regarding the Western Addition: L. James Jamerson; Ace Washington, WAPAC; and Randall Evans.

Mr. Washington and Mr. Evans requested a report on the allegations made by Tollie Green on minority hiring in the Fillmore Center and

Mr. Helfeld indicated this would be included in the Report of the Executive Director at the April 24 meeting.

REPORT OF THE VICE PRESIDENT (Continued)

- (e) Mr. Bagot inquired when a workshop would be held on Brown Act Regulations and Mr. Helfeld indicated an announcement regarding this would be made at the April 24 meeting.

President King announced there would be three Closed Sessions, each pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties locations and entities the Agency may negotiate with are:

Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northeast corner of Third and Mission Streets, Yerba Buena Center with Griffin Related Properties I; and

east side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art.

There will also be a Closed Session pursuant to Government Code Section 54956.9 regarding threatened litigation, 695 Bryant Street.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, April 13, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON April 13, 1990.

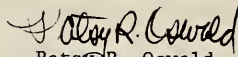
The item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located in the block bounded by Folsom, Spear and Steuart Street in Rincon Point-South Beach. The person or persons the Agency negotiator may negotiate with is Cal Trans.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Litigation. The meeting adjourned at 5:25 p.m.

Minutes of a Regular Meeting, April 17, 1990

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 22, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF APRIL, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of April, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

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and the following were absent:

Buck Bagot, Vice President (Arrived 4:25 p.m.)
V. Fei Tsen

The President declared that a quorum was present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Carla Javitts, Department of Social Services; Bob Prentice, Homeless Coordinator, Department of Public Health; Stan Smith, San Francisco Building Trades Council; Toye Moses, Director, J. Bell and Ethel Garlington, Young Community Developers; Peter Janero, Executive Director, Human Rights Commission; Henry Hewitt, Erickson, Beasley & Hewitt; Rich Sorro, Director, Mission Hiring Hall; William Tom Henry, W. Tom Construction; Mara Rosales, Deputy City Attorney; Marcia Rosen, San Francisco Lawyers Committee for Urban Affairs; Ace Washington, WAPAC; Jim Jefferson, Woods-Jefferson Partnership and Coalition for Economic Equity; Eddie Lau, Council of Asian-American Business Association; Alvin P. Norman, Al Norman Plumbing; Tse Ming Tam, Chinese for Affirmative Action; Millard Tong, Millard Tong Construction; Geraldine Johnson; Shirley E. Smith, Women Construction Owners & Executives; Dwight Kinnard, P & K Trucking; Morris Phillips, Fillmore Center Associates; Fillmore Marks, Brian McWilliams and Fred Pecker, ILWU; Ed de la Cruz, West Bay Filipino Multiservice Corporation; John Elberling, TODCO and The Yerba Buena Consortium; Ocie Rogers; Fillmore Marks; Banker & Marks; Peter Beecher; Paul Gaer, The Hotel Utah Saloon; Warren Bacciocco, California Meat Co; Martha Rosenberg; Carol D. Brownfield, The Greenhouse; Wilma Parker, Parker Fine Art; Greg Melanson, Researchers; Ann Desmont; Laurie Matthews; John Dillon; Tricia James, South of Market Business Association; Tony Arguella; Michael Reed and Dan Riedy, Housing and Conservation and Development Corporation; Dr. R.A. McCoy, Future Perfect, Inc; Yvette McCoy and Jamie Locket, Progress Seven; Gail Gordon, San Francisco Museum of Modern Art; Essie Collins; B. James and S. Chambers, Chambers Construction; N. Nabors, Nabors Electric; Michael and Shin Kang; Rita R. Sewel; Dino Di Donato, South of Market Problem Solving Council; Uoo-Chung

Kang; S. Kim; A. Campbell; Y. Kwon; Joseph S. Talmadge; Clara Rogers; Bridget Carter, Democratic Club; Eddy Lau, Council of Asian-Americans; Kent M. Lim; Robert Otsuka, California Flower Market, Inc; Angelo Stagnara, San Francisco Flower Growers Association; Willie Ratcliff, Liberty Builders; Kendall Young, Asian-American Architects & Engineers; Joe Bell; Tony Arguella; and Joseph Calmer, Placerville.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of February 6, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of February 13, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of February 20, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) At the request of Commissioner Bagot, there will be a Brown Act Workshop held at the meeting of May 8, 1990.
- (b) There will be a Special Agency Meeting on April 26 at 6:00 p.m. in Room 282, City Hall, for a Joint Meeting with the City Planning Commission regarding the South of Market Earthquake Recovery Area.
- (c) Commissioner Tsen is taking time off for maternity purposes until July. Last week she had an 8 pound baby boy.
- (d) On May 6 at 1:30 p.m., West Bay Community Development Corporation/Fillmore Center Associates and The Third Baptist Church will have their Ground Breaking Ceremonies at the southeast corner of Fillmore and Eddy Streets to which the Commissioners have received an invitation.
- (e) At the meeting of April 17, Mr. L. Jamie Jamerson made reference to the Aaron Miller murals. In January 1990, the Commission authorized a contract with Art Effects to frame the murals and work is now underway. Western Commercial Partnership, the owner of the building at 1426 Fillmore Street where the murals will be located, has assured staff that they will be in permanent public ownership and display by donating them to the San Francisco Art Commission.

- (f) The Commissioners have been provided with a letter addressed to President King from John Elberling, The Yerba Buena Consortium, requesting the Yerba Buena Gardens Design Workshop, which is on today's agenda, be held in the South of Market area. Staff's response indicating that a workshop in the South of Market area will be held to coincide with proposals on a supermarket site at Fourth and Harrison Streets on June 12, 1990, has also been provided to the Commission

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which requests authorization of a Contract, in an amount not to exceed \$30,000, with Young Community Developers, Inc. for Construction Employment Services in Hunters Point. Five Land Disposition Agreements have been entered into in Hunters Point for the development of a total of 143 residential units at an estimated construction cost of \$19 million. The affirmative action requirement of the LDA's stipulates that developers/contractors pursue the utilization of community residents for 50 percent of their workforce. It is proposed that Young Community Developers, a community-based employment and training service in the area, be contracted to provide construction employment and job referral services to assist contractors and the Agency in satisfying the affirmative action LDA requirement. The contract term would be from April 16, 1990 to June 30, 1990 and funds are available from the \$3 million allocated for economic development in Hunters Point and the South Bayshore.

Stan Smith, San Francisco Building Trades Council, and Toye Moses, Director, Young Community Developers, requested approval of item (a).

Mr. Bagot arrived at this time, 4:25 p.m.

Mr. Kitahata requested the services be evaluated at the end of the contract period before any future commitment is made.

Mr. Bagot requested a breakdown on the number of persons hired for permanent construction and clerical jobs and Mr. Moses indicated that this information would be provided.

Mr. Wartelle inquired whether funding hiring halls is a correct function for the Agency, however, this is included in the budget and if the Mayor's Office chooses to allocate funds, he believes the Agency can handle that role.

President King noted that this item has the support of the Union and he was pleased to see them working together.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-90 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Suttle introduced item (a), which is a workshop to secure public input and comments about accommodating the Agency's affirmative action documents to recent case law dealing with affirmative hiring and minority and female contracting, particularly in response to the U.S. Supreme Court's decision in City of Richmond vs. J.A. Croson Co. Historically, the Agency has required developers to undertake affirmative action with respect to: percentage goals for hiring minorities and females during the project's construction phase; percentage goals for minorities and woman-owned business enterprises in the design and construction phases; and the developer has been required to devise an affirmative action plan for its permanent workforce. Recent Supreme Court decisions have held that the only circumstances in which percentage goals are legal is where studies have provided evidence of past discrimination, and percentage goals are designed to remedy past discrimination. The Agency has revised its employment goals to be consistent with those approved by the Federal Office of Contract Compliance Programs. The Agency's MBE/WBE goals have been eliminated. However, under the program developers and contractors, in order to insure non-discrimination and equal opportunity, will be required to follow certain good faith efforts to locate potential MBE's and WBE's. Failure to follow the required good-faith efforts steps could result in the imposition of various penalties. As a long-term solution, the Agency is exploring with the City and City agencies conducting a joint study to determine whether there has been discrimination in the award of contracts to MBE/WBE's. If the study provides evidence of discrimination, there may then be basis to impose percentage goals. The Agency continues to believe that equal opportunity and non-discrimination are public goals of the greatest importance. The revised Affirmative Action Program is designed to ensure that all people and businesses have the opportunity to participate in Agency-sponsored development.

Mr. Suttle introduced Peter Janero, Executive Director of the Human Rights Commission.

David Madway, Agency General Counsel, noted modifications had been made to Schedule "B" of the affirmative action documents which are available for the public. He indicated that Henry Hewitt, Erickson, Beasley & Hewitt, will make a presentation and gave details of Mr. Hewitt's background in affirmative action.

Jennifer Bell, Assistant Agency Counsel, made a presentation on the background of the City of Richmond vs. Croson Co. case. She noted the process the Agency has been going through in preparing the documents that will be used as an interim measure.

Mr. Hewitt explained the program and the Agency's proposed new affirmative action goals for employment and the new good-faith effort program which is designed to insure that developers not

discriminate against minority and woman-owned business enterprises.

The following persons spoke regarding item (a): Rich Sorro, Director, Mission Hiring Hall; William Tom Henry, W. Tom Construction; Marcia Rosen, San Francisco Lawyers Committee for Urban Affairs; Ace Washington, WAPAC; Jim Jefferson, Coalition for Economic Equity; Eddie Lau, Council of Asian-American Business Association; Alvin Norman, Al Norman Plumbing; Tse Ming Tam, Chinese for Affirmative Action; Geraldine Johnson; Shirley E. Smith, Women Construction Owners & Executives; Dwight Kinnard, P & K Trucking; and Morris Phillips.

Mara Rosales, Deputy City Attorney, indicated that a request for an appropriation in an approximate amount of \$375,000 is presently in the Mayor's Office to help fund a study. The Mayor is reviewing what other agencies will contribute before it goes before the Board of Supervisors. The study will commence when there is a funding commitment and it is expected the process will take six months.

Mr. Bagot requested staff report back to the Commission regarding a time frame for the study.

Mr. Wartelle noted his support of the program and urged staff in developing the final policy to focus on the comments made today, particularly strong requirements for San Francisco residency; tenant issue; and drafting contracts with a specific clause addressing third party beneficiaries.

President King thanked the speakers and indicated that all the comments will be taken under consideration.

- (b) Mr. Suttle introduced item (b), which requests authorization of a Lease and Purchase Option on 695 Bryant Street for use as a Multiservice Center for the Homeless and approving the expenditure of funds from the Low and Moderate Income Fund up to a maximum of \$120,000 for the lease option payments and related closing costs. Subsequent to approval on April 3rd of a Letter of Intent Agreement with Michael and Jean Strunsky, staff has negotiated Lease and Purchase Option documents for the property. Appropriate steps have also been taken with regard to: building inspections; confirmation that the proposed use is permitted within the existing zoning; and a finding that the purchase price is within the fair market value of the building. In addition, meetings have been held by the Agency and City Officials with residents and businesses in the area in efforts to address concerns raised and a Neighborhood Advisory Committee is being established which would include representatives of the Mayor's Office, Department of Social Services, the Redevelopment Agency, social service organizations and employers and property owners from the area. Upon approval of the Lease and Purchase Option, the Mayor's Office of Community Development would begin the initial rehabilitation

immediately with the intention of having the facility operational by mid-June.

Brad Paul, Deputy Mayor for Housing and Neighborhoods, summarized his letter of April 24, 1990 addressed to President King regarding proposed mitigation measures for the Fifth and Bryant Multiservice Center.

The following persons spoke in support of item (b): Rich Sorro, Director, Mission Hiring Hall; Brian McWilliams and Fred Pecker, ILWU; Ed de la Cruz, West Bay Filipino Multiservice Corporation; John Elberling, TODCO and YB Consortium; and Ocie Rogers.

The following persons spoke in opposition to item (d); Fillmore Marks, Banker & Marks; Peter Beecher; Paul Gaer, The Hotel Utah Saloon; Warren Bacciocco, California Meat Co; Martha Rosenberg; Carol D. Brownfield, The Greenhouse; Wilma Parker, Parker Fine Art; Greg Melanson, Researchers; Ann Desmont; Joseph Calmer, Placerville; Laurie Matthews; John Dillon; Tricia James, South of Market Business Association; and Tony Arguella.

Upon inquiry from Ms. Bolanos, Carla Javitts, Department of Social Services, described the services that would be provided under the program.

Ms. Bolanos inquired if there had been a study of the homeless with regard to the mentally ill as opposed to the jobless and Ms. Javitts indicated she would provide this information to the Commission in writing.

Bob Prentice, Homeless Coordinator, Department of Public Health, summarized the program and responded to questions from Ms. Bolanos regarding the services.

Mr. Kitahata indicated he was impressed with the letters received in opposition to the center and requested that all concerns raised be addressed. He inquired what would happen if the center is not successful and Mr. Paul indicated that it would be shutdown within six months. The ultimate test will be when it goes before the Board of Supervisors.

Ms. Bolanos indicated that she empathizes with the community and businesses but the homeless problem is a social issue that needs to be addressed. The center is experimental and its existence may even create a better situation than there is at present.

Mr. Bagot thanked those persons who spoke in support of the center.

President King noted that the center will help eliminate a number of existing problems as there will be added police security and clean-up of the area.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-90 BE ADOPTED.

- (c) Mr. Suttle introduced item (c), which requests approval of an Amendment to the Agency's 1990-1991 Budget to provide funds for monthly lease payments for 695 Byrant Street to be used as a Multiservice Center for the Homeless. The negotiated lease calls for monthly payments of \$17,000, commencing April 25, 1990, up to a maximum of \$204,000. The funding for operating costs and for any lease payments in excess of \$204,000 would be provided by the City or from Red Cross payments.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-90 BE ADOPTED.

- (d) Mr. Suttle introduced item (d), which requests authorization of Exclusive Negotiations, until September 5, 1990, with Housing and Conservation and Development Corporation (HCDC) and John P. Hunter for a mixed-use development on the Hunters Point School II Site, located at the corner of Kiska Road and Ingalls Street in Hunters Point. The Developers were two of four original developers submitting development qualifications for the negotiating rights to the site, all of whom were rejected by the Commission at the November 28, 1989 meeting because, as sole developer, none had ALL the desired financial strength or experience in: community-based development; affordable housing; and neighborhood retail. In accordance with instructions from the Commission, staff has facilitated the formation of a partnership between HCDC and John Hunter which creates a development team with experience in both affordable housing and retail development. The proposal calls for the construction of 30 to 50 residential units which meet Agency affordability requirements to be made available to first-time buyers and a 7,500 sq.ft. neighborhood shopping center to serve the needs of Hunters Point Hill residents. The developer is willing to build 100 percent affordable units if sufficient Agency subsidies are available and, upon determination of development costs, staff will try to identify funds for subsidy, one possible source being the reallocation of funds setaside for the development of Site DD-2, which has been temporarily postponed. The commercial portion of the center will be a market rate development and would prove feasible without Agency subsidy, although the Developer does anticipate a need for some financial incentives to attract an anchor grocery store tenant. Four to six additional tenants will occupy the center with tenant preference being given to viable community-based businesses. The development concept has been presented to the New Bayview Committee and was satisfactorily received by attending neighborhood residents.

The following persons requested approval of item (d): Michael Reed and Dan Reidy, HCDC; and Donetta Lane.

In response to an inquiry from Mr. Wartelle, Jack Robertson, Development Specialist, indicated that only a small portion of the

development is within the Redevelopment Project Area. Because the remainder is outside the project area, design approvals would have to come from both City Planning and the Agency.

Mr. Wartelle noted his preference for a single design review process and requested staff investigate that possibility.

Mr. Kitahata suggested an amendment to make the entire project within a redevelopment area and Mr. Suttle indicated a Redevelopment Plan Amendment would be required with approval of the Board of Supervisors and would involve a long process.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-90 BE ADOPTED.

- (e) Mr. Suttle introduced item (e), which requests authorization to extend Exclusive Negotiations, until July 25, 1990, with Fillmore Market Place Associates for the development of Parcel 732-B located on the northwest corner of Webster and Eddy Streets in the Western Addition A-2. Additional time is needed to complete negotiations of an LDA and to reach agreement regarding the community benefits program which it is believed can be accomplished during the requested 90 day extension period.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION 96-90 BE ADOPTED.

- (f) Mr. Suttle introduced item (f), which requests authorization of an expenditure not to exceed \$250,000 for the purchase a new Mainframe Computer for the Agency from IBM. The Agency has owned and operated an IBM System 38 for approximately ten years which has supported all of the Agency's financial systems. In recent years, it has become clear that demands on this hardware are exceeding its capacity and upgrades have only been partially successful. In addition, IBM intends to terminate support of this equipment within the next two years, necessitating acquisition of new hardware which can accommodate all the existing systems and provide excess capacity for expansion of automated services. Following analysis, it is proposed to stay with IBM for a number of reasons including the fact that the Agency already has a substantial investment in their equipment and a quick transition to the new hardware will be possible with minimal reprogramming.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-90 BE ADOPTED.

- (g) Workshop on the Conceptual Design of the Esplanade in Yerba Buena Gardens in Yerba Buena Center.

John Elberling, The Yerba Buena Consortium, requested this item be continued to the meeting of May 1, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), A WORKSHOP, WOULD BE

CONTINUED TO THE MEETING OF MAY 1, 1990 AT THE REQUEST OF MR. ELBERLING. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Suttle indicated that on April 23, 1990, a request was received to extend the Conveyance date from April 25 to May 9, 1990, to the Land Disposition Agreement with Woods-Jefferson Partnership for the rehabilitation of 1339 Pierce Street in the Western Addition A-2. The developer has complied with all the preconveyance conditions of the LDA. However, on April 23, the developer's lender indicated to staff that there is a possibility that the construction loan documents will not be completed by the close of escrow date. The resolution before the Commission provides authority to grant an additional extension beyond May 9, 1990, but not to exceed 30 days from that date. Since this is not an agenda item and, in accordance with Brown Act Regulations, a determination needs to be made by the Commission that the necessity to take action on this off-agenda item arose after posting of the agenda on April 20, 1990.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON APRIL 20, 1990.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-90 BE ADOPTED.

The Commissioners agreed to send a congratulatory message and gift to Ms. Tsen on the occasion of the birth of her son.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested a report on CDBG and Mr. Suttle indicated this matter would be included in the report of the Executive Director at the May 1, 1990 meeting.

President King announced that there would be a Closed Session on litigation pursuant to Government Code Section 54956.9(a). The name of the case is Gregory Wallace vs. San Francisco Redevelopment Agency, San Francisco Municipal Court No. 032424.

There will also be a Closed Session on threatened litigation by Dr. Vince Deocampo pursuant to Government Code Section 54956.9(b)(1).

There will also be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties and entities with whom the Agency negotiator may negotiate with are:

Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

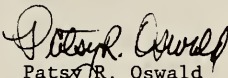
northeast corner of Third and Mission Streets in Yerba Buena Center with Griffin Related Properties I; and

east side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to two Closed Sessions on litigation and three Closed Sessions on real property negotiations. The meeting adjourned at 8:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 29, 1990

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF APRIL, 1990

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a Special Meeting at Room 282, City Hall, in the City of San Francisco, California at 7:10 o'clock p.m. on the 26th day of April, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Redevelopment Agency Commission:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata

DOCUMENTS

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and the following were absent:

Haig G. Mardikian
V. Fei tsen
Paul Wartelle

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The following City Planning Commissioners were also present:

James Morales, President
Norm Karasick
Wayne Hu
Sue Bierman
Romain Bogardus

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elberling, TODCO; Dino di Donato, South of Market Problem Solving Council; Ed de la Cruz, West Bay Filipino Multi-Service Corporation; Edith McMillan; Isabella Ugat; and Brad Paul, Deputy Mayor for Housing and Neighborhoods.

Representing the press was: Gerald Adams, San Francisco Examiner.

NEW BUSINESS

Tom Conrad, Agency Chief for Planning Programming, indicated that the purpose this joint workshop is to discuss (1) the proposed South of Market Earthquake Recovery Redevelopment Plan, and (2) a proposed Cooperation Agreement between the Department of City Planning and the Redevelopment Agency relating to their roles in implementing the Redevelopment Plan. In addition, the Planning Commission will consider selection of the boundaries of the proposed Redevelopment Project Area.

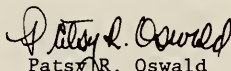
The following persons spoke regarding the subject workshop: John Elberling, TDOCO; Dino di Donato, South of Market Problem Solving Council; Ed de la Cruz, West Bay Filipino Multi-Service Corporation; Edith McMillan; Isabella Ugat; and Brad Paul, Deputy Mayor for Housing and Neighborhoods.

A discussion ensued between the Commissioners regarding the South of Market Redevelopment Project. Since this was a workshop no action was taken at this meeting and the Planning Commission noted they would not be taking action on the selection of boundaries at this time.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 14, 1990

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5/1/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF MAY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of May, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian

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and the following were absent:

Buck Bagot, Vice President (Arrived 4:30 p.m.)
V. Fei Tsen
Paul Wartelle

The President declared that a quorum was present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Matthew Witte and Jim Freed, Griffin Related Properties-V-III; Al Williams and Allan Yeung, Olympia & York; Jane Herzog; Merle Malakoff, Catholic Charities; Ace Washington, WAPAC; Yvonne S. Golden, Bay Area Peace Council/San Francisco Black Leadership Forum; Ocie Rogers; Katherine Nash, WANA; Julie C. Anderson, Martin Luther King, Jr. Civic Committee; Larry McEwan, MGA Partners; Dino di Donato, South of Market Problem Solving Council; Joe Feraro; Dennis Cruz; Bong Porlas; Mark Mangampat; John Elberling and Phil Klasky, TODCO; Sue Hestor; Sue Bierman; Calvin Welch; Ed de la Cruz, West Bay Filipino Multi-Service Corporation; Walter Park; D. Lane; Geraldine Johnson; Marcia Rosen, SFLCUA; Maxime Howard, Bethel AME Church; Mary Anne Dillon, Mission Housing Development Corporation; and Joan Berconi, Local 790;

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Special Meeting of February 14, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of February 13, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of February 27, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of March 13, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of March 20, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of March 27, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of April 3, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) President King, Commissioners and staff invite you to say "Thank you" to Charlotte Berk on May 9 at the Earl P. Mills Community Center from noon to 1:30 p.m.
- (b) West Bay Community Development Corporation/Fillmore Center Associates and Third Baptist Church will be holding groundbreaking ceremonies for West Bay's Fillmore Community Services Center on May 6, 1:30 p.m. at the southeast corner of Fillmore and Eddy Streets.
- (c) With regard to WCP I Plazas, Walkway and Arcade in the Western Addition A-2, the building permit for the installation of landscaping and construction of the walkway and arcade elements north of the Safeway parking lot was signed off by the Agency on April 24 and construction has commenced. Safeway Store approved the repair and construction on April 24, 1990 and a copy of their approval letter is on file with the Agency.
- (d) Pursuant to Commissioner Bagot's request at the April 24, 1990 meeting, Jennifer Bell, Assistant Agency Counsel, has been ascertaining the time schedule the City estimates it will take to do the study on Affirmative Action. The City is now in the process of collecting information from City Departments and Agencies and will advise the Agency when the next step is determined.

- (e) The Housing brochures, which were prepared in conjunction with the Mayor's Office, have been provided to the Commission for review.

It was the consensus of the Commission that the brochure be distributed.

- (f) On April 26 a joint meeting was held between the Agency Commission and the City Planning Commission on the South of Market Earthquake Recovery Program. No action was taken with respect to establishing boundaries and this will take place at the City Planning Commission meeting of May 3, 1990.
- (g) Mr. Helfeld will be back in the office on May 3.
- (h) At the April 24, 1990 meeting, Mr. Bagot requested a report on the CDBG issue but as he is not present a report will be made to him directly.

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which is a workshop to review revisions to the Conceptual Design for the Esplanade in Yerba Buena Gardens in Yerba Buena Center. On February 20, the Commission approved a revised conceptual design for the Esplanade, subject to resolution of certain design concerns which were addressed during an intensive ten-day design effort in San Francisco led by Aldo Giurgola and involving the Mayor, Commissioners, other City Officials, members of the public and the Developer.

William Carney, Staff Architect and Larry McEwan, MGA Partners, described the modifications to the Esplanade conceptual design; noted the design concerns and the resolutions achieved; and indicated the next Schematic Drawings will be presented in June.

Mr. Bagot arrived during the presentations, 4:25 p.m.

The following persons spoke regarding item (a): Dino di Donato, South of Market Problem Solving Council; Joe Feraro; Dennis Cruz; Bong Porlas; Mark Mangampat; John Elberling and Phil Klasky, TODCO; Sue Hestor; Sue Bierman; Calvin Welch; Yvonne S. Golden, Bay Area Peace Council and San Francisco Black Leadership Forum; Julie C. Anderson, Martin Luther King, Jr. Civic Committee; Ed de la Cruz, West Bay Filipino Multi-Service Corporation; Walter Park; D. Lane; Geraldine Johnson; Katherine Nash; Marcia Rosen, SFLCUA; and Maxime Howard, Bethel AME Church.

Several speakers requested a bowling alley in the South of Market area and President King indicated that this matter would be taken under consideration.

In response to requests by the speakers for a memorial to Martin Luther King, Jr., President King indicated that the Commission is committed to establishing an appropriate memorial to Dr. King.

In February 1990, the Agency and the Mayor's Office of Housing issued a Notice of Funding Availability of \$3 million for the Rental Housing New Construction Program (RHNCNP) which is one of five new programs created under the City-wide Tax Increment Housing Program (TIHP). Seven final applications totalling approximately \$10 million were received which far exceeds the funds available, however, because the Loan Committee believed some of these applications merited funding also, three of the remaining five applications were recommended for funding under alternative City Programs. Pursuant to the established TIHP approval process, the Agency Commission must determine each project is consistent with the Agency's Mission Statement and authorize the loans approved by the Loan Committee. To date, two loans totalling \$2.24 million have been approved and are now before the Commission for authorization. The TIHP Loan Committee has recommended approval of a loan for 464-480 Valencia Street to construct 63 units of affordable family rental units with loan proceeds to be drawn from the TIHP's Rental New Construction Program. A 35,835 square foot office building on-site will be included as part of the acquisition and will house Centro Del Pueblo, a consortium of Mission District-based non-profit social service providers. Also approved is a loan to Catholic Charities of the Archdiocese of San Francisco for the acquisition of 3400-3402 16th Street to construct 18 units of low-income family rental units.

Ace Washington, WAPAC, indicated that the two organizations applying for the loans are under investigation by the Federal Government.

Mary Anne Dillon, Mission Housing Development Corporation, indicated that HUD had audited the Company last year and determined the funds were spent on housing related activities. She requested approval of item (d).

Merle Malakoff, Catholic Charities, requested approval of item (e).

Ms. Bolanos noted her concern about illegal immigrants and large families living in that community that need housing and inquired if there are residency requirements.

Ms. Dillon indicated that each project has an affirmative marketing plan and family housing is targetted by MHDC. In addition, there are only income requirements and not residency requirements.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 104-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 105-90, BE ADOPTED.

John Elberling noted his concern regarding access for the elderly and handicapped and Mr. Bagot requested staff to make a recommendation on improving the access.

NEW BUSINESS - CONSENT AGENDA

At the request of Ace Washington, WAPAC, President King indicated that item (a) would be removed from the Consent Agenda and considered a Regular Agenda item.

- (b) Authorizing the Executive Director to request the Board of Supervisors of the City and County of San Francisco to conduct a Joint Public Hearing proposed for June 4, 1990, on the South of Market Earthquake Recovery Redevelopment Plan.

Mr. Suttle indicated staff recommends this item be tabled and a separate public hearing be held prior to the final public hearing by the Board of Supervisors.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, CONSENT ITEM (b), RESOLUTION NO. 102-90, WOULD BE TABLED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Suttle introduced item (a), which requests authorization of an Eighth Amendatory Agreement, which extends the completion date to October 5, 1990, to the LDA with 1915 Eddy Street Developers for the rehabilitation of 1915 Eddy Street in the Western Addition A-2.

Ace Washington, WAPAC, requested memoranda on agenda items pertaining to the Western Addition A-2 be sent to WAPAC.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-90 BE ADOPTED.

- (c) Mr. Suttle introduced item (c), which requests approval of the Conceptual Design Scheme for the Esplanade in Yerba Buena Gardens of Yerba Buena Center as presented at a workshop earlier at this meeting.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-90 BE ADOPTED.

- (d) Mr. Suttle introduced item (d), which requests authorization of a \$1,644,148 loan to Mission Housing Development Corporation (MHDC) for the acquisition of 464-490 Valencia Street.
- (e) Mr. Suttle introduced item (e), which requests authorization of a \$600,000 loan to Catholic Charities of the Archdioceses of San Francisco for the acquisition of 3400-3402 16th Street.

- (f) Mr. Suttle introduced item (f), which requests authorization of an Audit Contract, in an amount not to exceed \$40,000, with Peat Marwick Main Company (PMM) and Williams, Adley & Company as the Agency's Auditors for the fiscal year 1989-1990. PMM performed excellent services as auditors last year, particularly in with regard to complex reporting requirements as a result of the Agency's continued use of CDBG program funds and its new use of tax increment bond proceeds. The City has decided to exercise its option to extend the PMM contract for one additional year and, pursuant to a request from the City Controller that the Agency hire the same audit consortium as the City in order to conform as closely as possible with its financial reporting standards, it is proposed to retain PMM as auditors for the current fiscal year with 35 percent of the Agency's work to be performed by Williams, Adley and Company, a minority-owned firm. Next year the City will go out to bid for auditors since all options to renew the contract with PMM will have expired.

Ace Washington, WAPAC, spoke regarding item (f).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-90 BE ADOPTED.

- (g) Mr. Suttle introduced item (g), which requests approval of a new Memorandum of Agreement with United Public Employees Local 790 for the period May 1, 1990 through June 30, 1992. The previous agreement was extended through April 30, 1990, to provide additional time for negotiations. All outstanding issues have now been resolved to the satisfaction of both parties. It should be noted staff memorandum indicates the agreement was ratified on August 27, 1990, which should read April 27, 1990.

Joan Berconi, Local 790, requested approval of item (g).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-90 BE ADOPTED.

- (h) Mr. Suttle introduced item (h), which requests authorization of a Lease Agreement for office furniture systems and related equipment. It is recommended this item be continued to the meeting of May 8, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (h), RESOLUTION NO. 108-90, WOULD BE CONTINUED TO THE MEETING OF MAY 8, 1990 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Public Hearing to hear all persons interested in a Land Disposition Agreement for the development of the Parcel located on the northeast corner of Third and Mission Streets; Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Suttle introduced item (i), which requests authorization of a Land Disposition Agreement (LDA) with Griffin Related Properties-VII for Parcel 3707-A, located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

Mr. Suttle introduced item 7 (a), which requests approval of the Schematic Drawings for the Griffin Related Properties development. This is an off-agenda item which arose subsequent to the posting of the agenda on Friday, April 27, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission is required to add this item.

The proposed development consists of a 28-story building and rehabilitation of the Jessie Hotel. The performance schedule calls for: submission of evidence of financing by June 26, 1991; conveyance of the site by August 30, 1991; commencement and completion of construction by December 30, 1991 and December 30, 1993 respectively. The Commission has been provided with information on the economic benefits commitments which includes a \$2.6 million non-refundable contribution to the Agency's Low/moderate Income Housing Fund and a \$2.5 million cash grant and its expertise towards the development of affordable housing. It is anticipated the development will create 500 fulltime jobs over the course of construction and over 2,000 fulltime jobs after full occupancy of the building, a large proportion of which will be new employment opportunities for the City. Contributions will also be made to: a South of Market Employment Agency; a South of Market Enterprise Center to offer minority and women-owned firms the opportunity to occupy space at reduced rentals; an art program; a child care center; and a San Francisco History Center. A copy of the LDA was forwarded to the Mayor's Office on April 17, 1990 and the building design has been found acceptable by City Planning Department staff.

Jim Freed, Architect for the Project, described the Design Concept.

Helen Sause, Project Director, Yerba Buena Center, described the background of the project; selection criteria of the offering; the "deal" points; and the benefits package offered by the Developer.

Sue Hestor indicated she has a problem with procedures because the Environmental Impact Report comes after the deal is made, whereas it should come before as done by City Planning.

Sue Bierman, Marcia Rosen, SFLCUA, and Dino Di Donato, SOMPSC, noted their concern that the affirmative action program does not contain a San Francisco residency requirement for hiring and urged that reasonable goals be set.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Bagot noted his concern that there is not a San Francisco residency requirement for hiring and requested a workshop on First Source Hiring in the context of Proposition M.

Following an extensive discussion between the Commissioners and Staff, it was the consensus of the Commission that since the San Francisco residency requirement for hiring was not in the Request for Proposals and that the deal worked out with Griffin contains outstanding benefits, that they would vote in favor of the project.

Mr. Kitahata requested Legal Staff to report back to the Commission on CEQA and California Redevelopment Law vs. City requirements on Environmental Impact Reports at a workshop.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-90 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Approval of the Schematic Drawings for the Griffin Related Properties-VII development on Parcel 3707-A, located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

MOTION: IT WAS MOVED BY MR. KITHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT THE NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON APRIL 27, 1990.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 110-90 BE ADOPTED.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot inquired when there would be a report on CDBG and Mr. Suttle indicated there would be a report at the May 8, 1990 meeting.
- (b) Mr. Bagot requested a staff report on the nonprofits that are under investigation since Agency funds are involved.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, requested recognition of WAPAC by the Agency.

President King announced that there will be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's

Minutes of a Regular Meeting, May 1, 1990

real property negotiator. The properties and entities with whom the Agency negotiator may negotiate are:

Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

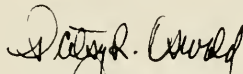
Third and Harrison in Yerba Buena Center with Harbor View Investment (Lawrence Lui).

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 8:30 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: May 29, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF MAY, 1990

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of April, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian

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and the following was absent:

V. Fei Tsen
Paul Wartelle (Arrived 4:25 p.m.)

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Brett Gladstone, representing Nolan Frank; Katherine Nash, WANA; Richard Tapp, Team 7; Robert Luster, San Francisco Associates Development Group; Marcia Rosen, San Francisco Lawyer's Committee for Urban Affairs; Sue Hestor; John Elberling, TODCO; and Walter Park, Independent Housing Services.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of March 6, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of April 10, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Groundbreaking ceremonies were held for the Fillmore Community Services Center on May 6, 1990. President King and Gene Suttle, Senior Deputy Executive Director were in attendance.
- (b) With regard to Economic Development, the Commissioners have been provided by Mr. Kitahata with an outline of issues to be discussed

and reported on. The issues will be reviewed by the Sub-Committee on Economic Development and then by all Commissioners within the next several weeks.

- (b) A celebration for Charlotte Berk will take place on May 9 at the Earl P. Mills Community Center in Hunters Point.
- (c) Robert Gamble, Deputy Executive Director, Finance, described the background and current status of Community Development Block Grants.

Mr. Wartelle arrived during Mr. Gamble's presentation, 4:25 p.m.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot noted that there will be a Citizens Committee meeting on Economic Development on May 23. He requested staff attend and report back to the Commission.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a down payment to Knoll International for office furniture and a Lease Agreement with a leasing company to be selected on the basis of most competitive rates and conditions. Due to lack of space and old existing equipment, it will be necessary to acquire new office systems and furniture in order to fit and utilize the leased office space at 770 Golden Gate Avenue. It is proposed that authorization be given to execute a Lease Agreement with the leasing company which is found to provide the most favorable rates and conditions for a five year lease term for Knoll furniture systems.

Mr. Kitahata indicated that it should be possible to incorporate the Commission meeting room in the Agency's future office space at 770 Golden Gate Avenue.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-90 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

At the request of Mr. Bagot, President King indicated that item (a) would be removed from the Consent Agenda and considered as a Regular Agenda item.

- (b) Amending the date for close of escrow/conveyance of site, from May 9, 1990 to May 22, 1990, to the Agreement for Disposition of Land for Private Rehabilitation with Lee Nguay How Huey, Matthew Huey and Hannah Chiu Huey for the purchase and rehabilitation of 1905-1907 O'Farrell Street; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 112-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization for the San Francisco Redevelopment Agency to serve as Administrative Agent for W.K. Kellogg Foundation Fellowship awarded to Leamon J. Abrams, Chief, Economic Development.

Mr. Bagot inquired how much time would be allocated to Kellogg Foundation related activities and Mr. Abrams indicated approximately 25 percent.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 111-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to re-enter into Exclusive Negotiations, until August 8, 1990, with San Francisco Development Group for the development of Parcel 1100-T located at the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. Prior to expiration of the exclusive negotiations on March 28, 1990, the Commission expressed concern upon being informed of a change in the composition of the partnership which reduced the equity of Robert and Orville Luster from 27.5 percent each to 5 percent each because the exclusives were granted with the understanding that the Lusters would have a significant role in this 13 unit market rate development. This concern was communicated to the partners who have agreed to a reorganization of the partnership with equity of: Robert Luster, 20 percent; Orville Luster, 10 percent; Lavolia Baker, 30 percent; S. Associates (Richard Szeto), 30 percent; and Doris Thomas, 10 percent. The Managing Partner will be Robert Luster. Because the project is under 20 units, the Agency's Housing Participation Policy is not applicable and no significant discretionary approvals are being sought. Re-entry into exclusive negotiations is conditioned upon a timeline of performance contained in the resolution to assure faster progress towards the completion of housing development.

Brett Gladstone, representing Nolan Frank, noted the history of Mr. Frank's involvement in the parcel and indicated that Mr. Frank should be compensated for development costs. At the time exclusive negotiations were granted to San Francisco Development Group, Mr. Wartelle had suggested compensation be discussed between the two parties. Mr. Frank is now requesting the Commission formally endorse that the condominium offered by San Francisco Development Group at the time they were granted exclusive negotiations be part of the community benefits package and it be a condition of the re-entry into exclusive negotiations.

Robert Luster, San Francisco Development Group, indicated that good faith efforts had been made to compensate Mr. Frank by offering a 2-bedroom condominium, however, Mr. Frank had requested a larger unit which is not economically feasible because the project has been reduced in size. The original design would have required height and density variances.

Ace Washington, WAPAC, noted his support of the project but objected to Richard Szeto's participation in the partnership because of his affirmative action program in the Fillmore Center.

Mr. Wartelle requested the item be continued pending a status report by staff on the negotiations between the San Francisco Development Group and Mr. Frank.

RULE OF THE CHAIR: PRESIDENT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 113-90, WOULD BE CONTINUED AT THE REQUEST OF MR. WARTELE. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Agreement with the City for the Design, Construction and Operation of a Central Cooling Plant Facility for the Gardens and Cultural Center in Yerba Buena Center. A feasibility study, authorized in January 1988, resulted in a finding that it made economic sense for the City and Agency to jointly build and operate the facility to attain efficient use of space and economics of scale. The total cost for the Cooling Plant is \$1,688,400 and the Agency's share will be 19.82 percent or \$334,640. The total cost for the cooling tower screening will be determined later and, again, the Agency's share will be 19.82 percent.

Mr. Bagot inquired if funds are available in the budget and Mr. Helfeld indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Fifth Amendment to the Architecture Agreement with MGA Partners in connection with Yerba Buena Center. Pursuant to authorization in November 1989 for MGA to undertake a study integrating Olympia & York's new retail scheme with the esplanade, a revised conceptual design was approved on May 1, 1990 which is significantly different from the conceptual design approved on July 5, 1989. Since schematic drawings and a portion of design development drawings had been completed based on earlier conceptual design, these drawings need to be changed to conform to the new design. The proposed amendment is to fund the necessary changes, as well as coordinate resulting changes to the Moscone Convention Center expansion construction documents, a gardens maintenance and security study and a theater consultant to advise on performance use of the esplanade. The amendment will increase the amount

payable by \$390,000 and revise the performance schedule to provide for: completion of schematic revisions by June 29, 1990; design development documents by October 19, 1990; final construction documents by May 3, 1991, allowing for construction to begin when the Moscone roof is ready in August 1991. Details of the firm's affirmative action program have been provided to the Commission.

Mr. Kitahata requested that staff pursue reimbursement of costs by the CAO's Office in connection with the changes caused by the Moscone Convention Center expansion.

Mr. King indicated this firm needs a great improvement in its affirmative action program.

Mr. Bagot requested that MGA Partners report back to the Commission on a specific plan for recruitment.

Mr. Helfeld indicated he would make known the Commission's concerns to the consultant and report back.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), the purpose which is to summarize the City-wide Tax Increment Program. In conjunction with the Mayor's Office of Housing, the Agency has committed \$7.5 million of the \$10 million authorized for this program to affordable housing projects during fiscal year 1989-1990. These funds are being leveraged with other public and private financing to develop over 1,000 affordable housing units and, with additional loan applications currently under review, it is expected the remaining program funds to be committed before the end of the fiscal year.

Bill Rumpf, Chief, Housing Production and Management, made a presentation on the City-wide Tax Increment program and responded to questions from the Commissioners.

The following persons spoke regarding item (f): Ace Washington, WAPAC; and Marcia Rosen, San Francisco Lawyer's Committee for Urban Affairs.

- (g) Bill Rumpf, Chief, Housing Production and Management, introduced item (g), which requests authorization for the Agency to certify that it has the required deposit for a Single-Family Mortgage Revenue Bond Issue being undertaken by the City and to take other related actions to consummate the issuance. The City is applying to the California Debt Limit Allocation Committee for a \$35 million Bond Allocation on May 10, 1990, at which time a one percent deposit is required. The City will make the deposit for the entire bond amount with the understanding that the Agency will reimburse the City for its proportionate share if the commitment is obtained. Approximately \$20 to \$24 million of the bond proceeds will be designated for Agency Affordable Housing Projects. Therefore, the Agency will be required to reimburse the

City \$200,000 to \$240,000 if the commitment is obtained but the bond issue does not occur. If the application is not awarded, the Agency will have no financial commitment. The Agency's proportionate share of the issuance cost is estimated to be 2.5 percent of the mortgage proceeds or \$500,000 to \$600,000 which will be paid from funds appropriated to assist new single-family developments in Hunters Point. Hunters Point developments would have first priority for use of the funds and the Agency will seek recoup costs for any projects outside Hunters Point from developers in return for guaranteeing them an allocation from the bond program. To date, approximately 260 units have been identified in Agency projects that will be eligible for first mortgages under the bond program and the Agency will have the authority to designate which projects receive an allocation of the bond financing. Bond Counsel is concerned at the mechanism the Agency uses in LDA's for affordability. A workshop will be held in the future on this subject.

Ms. Rosen requested that when this workshop is held that the City be invited to participate. She invited the Commissioners to attend the Grand Opening of Poly Hi on May 29, 1990, 11:00 a.m.

Ace Washington, WAPAC, inquired if the Agency funds the New Bayview Committee and noted they are not listed as a nonprofit organization. President King indicated that the Agency does not fund the New Bayview Committee.

Mr. Washington inquired if this item pertains only to Hunters Point and Bayview areas and Mr. Helfeld indicated it would affect all homeownership programs the Agency has underway, including the Western Addition.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization to expend an amount not to exceed \$20,000 to obtain the services of a Contractor to conduct a study of deposit and lending patterns of financial institutions operating in San Francisco. Several other cities have undertaken such studies to identify areas of under/disinvestment; assess lending patterns for "redlining" practices; to foster better working relationships between the public sectors and the financial lending community; and to determine if banks have undertaken practices consistent with the 1977 Community Reinvestment Act (CRA) whereby lenders are required by law to ascertain the credit needs of the communities they serve. It is proposed to undertake this study because of the Agency's role in promoting the development of affordable housing and economic development and the necessity to leverage its funds through partnerships with financial institutions. The results would be used to work with financial institutions to develop practices which assist both public and private investment, particularly in distressed communities. Prior to selection, staff

would provide the Commission with a list of contractors and a specific recommendation.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-90 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which is a workshop to discuss The Ralph M. Brown Act regulations which govern public meetings and public records.

David Madway, Agency General Counsel, made a presentation on the Brown Act rules and regulations.

The following persons spoke regarding item (i): John Elberling, TODCO; Ace Washington, WAPAC; Marcia Rosen, San Francisco Lawyer's Committee for Urban Affairs; and Sue Hestor.

It was the general consensus of the speakers that policy matters should be discussed in public.

Mr. Mardikian discussed with Mr. Madway his concerns regarding confidentiality of matters discussed in Closed Sessions.

Following discussion between the Commissioners and staff, it was the consensus of the Commission to the greatest degree possible, policy issues and informational items will be discussed in public and workshops held when appropriate.

President King thanked the speakers and indicated their input will be taken under consideration.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Walter Park, Independent Housing Services, noted his concerns about the access for disabled persons at the Fillmore Center and indicated that the developer of the project would not accept HUD Section 8 subsidies.

President King indicated that there would be an investigation by staff and a report made to the Commission.

- (b) Sue Hestor noted her concern with the affirmative marketing in Rincon Point-South Beach projects and requested an investigation.
- (c) Ace Washington spoke regarding the Western Addition; requested WAPAC records be released; and that he be on the agenda for the meeting of May 15, 1990.

President King announced that there will be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties and entities with whom the Agency negotiator may negotiate are:

Central Block 1, Central Block 2, Central Block 3 and East Block 2, in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

1901 Jackson with Title Insurance and Trust Company, Owner of Record; and

Third and Harrison in Yerba Buena Center with Habor View Investment (Lawrence Lui).

There are two additional Closed Session items which arose subsequent to the posting of the agenda on Friday, May 4, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MAY 4, 1990.

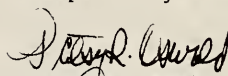
The first item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northwesterly corner of Van Ness and Myrtle Street in the Western Addition A-2. The entity the Agency may negotiate with is Myrtle Development Corporation.

The second item is pursuant to Government Code Section 54957 to discuss personnel matters.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 29, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF MAY, 1990

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 15th day of May, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

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and the following was absent:

V. Fei Tsen

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Bob Prentice, Homeless Coordinator; Dino di Donato, South of Market Problem Solving Council; Randy Shaw, Director, Tenderloin Housing Clinic; Charline McCain, 6th Street Association; Ed de la Cruz, West Bay Filipino Multi-Service Corporation; John Elberling, Todco; Berri McBride, Summit Partners; Ansu Karneh, Omi Lang Associates, Inc; Sue Bierman; Walter Park; John and Sandra Bass; Merlin Willis; Gerda Kircher; Gary Zodrow, Polk/Van Ness Coalition; John Dotton; Robert Hutchinson; Randy S. Boyd; Nate Ratner; Mark Biggs; Stephen Cornell; Pat Darden; Fred Pecker, ILWU; Yori Wada; Mary Culi; Josh Brandon, Coalition on Homeless and member of Homeless Task Force; Jack Gibbon, Local 21; Jim Bowes, Great American MUSIC Hall; Frank Grant, Grant's Engineering & Machine Company; E. Battezzato, Grand Southern Hotel; Mario Borwa, Delta Hotel; Lewis Salzman; A. Krisman, Kim Jackson, Local 2; Carol Brownfield and S.V. Larsen.

Representing the press were: Gerald Adams, San Francisco Examiner; and Tom McCarthy, Tenderloin Times.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) With regard to negotiations with the Reliance Development Group for the property at the southwest corner of Brannan and First Streets in Rincon Point-South Beach, the issues are how much affordable housing the Agency will be able to obtain and the cost for retention of the Oriental Warehouse.

- (b) On May 15 all City Department Heads were briefed by staff from the Mayor's Budget Office who indicated they wanted to cut funds from the Agency's budget, which would reduce housing programs and money allocated for a supermarket in the South Bayshore.
- (c) With regard to economic development, staff will have a draft report at the end of this week for the Economic Development Committee and a meeting of the Committee will be scheduled.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a First Amendatory Agreement to the Owner Participation Agreement with Robert C. Brown and Mark K. Evans to provide for remodeling and rehabilitation of the single-family residence located at 2119 Bush Street; Western Addition A-2.
- (b) Authorizing a First Amendment to the Personal Services Contract with Cal State Patrol Service, Inc. for Security Patrol Services at the South Beach Harbor in Rincon Point-South Beach.
- (c) Authorizing a First Amendment to the Janitorial Services Contract with West Coast Maintenance Service.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEMS (a) THROUGH (c), RESOLUTION NOS. 118-90, 119-90 AND 120-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Public Hearing to hear all persons interested in the proposed Redevelopment Plan for the South of Market Earthquake Recovery Project.

President King opened the Public Hearing to hear all persons interested in this matter.

- (e) Mr. Helfeld introduced item (e), which requests approval of the Report on the Redevelopment Plan and authorization of its transmittal to the Board of Supervisors.
- (f) Mr. Helfeld introduced item (f), which requests approval of the rules governing Participation and Re-entry Preferences by Property Owners and Business Occupants for the South of Market Earthquake Recovery Redevelopment Project Area and authorizing its transmittal to the Board of Supervisors.
- (g) Mr. Helfeld introduced item (g), which requests approval of the proposed Redevelopment Plan for the South of Market Earthquake Recovery Redevelopment Project and referring and recommending it to the Board of Supervisors of the City and County of San Francisco.

As a consequence of the October 17, 1989 earthquake, on March 12, 1990 the Board of Supervisors designated a Survey Area which

action initiated efforts by the Agency, in conjunction with the Planning Department, the Mayor's Office of Housing and Neighborhoods and the South of Market Problem Solving Council, to begin preparation of the proposed Redevelopment Plan. The proposed Redevelopment Plan is a culmination of over six months of community planning to assist in the recovery from the earthquake and will provide for: low and moderate income housing units to be repaired and/or replaced; recovery assistance for small businesses; and for much needed public infrastructure repairs to be completed. The basic goal of the Redevelopment Plan is to replace housing units lost in the earthquake and the larger scale residential properties damaged will be targeted for either new housing development or rehabilitation of existing units in order to replace lost residential units and remedy the effects of the earthquake. Funding will be available from land sales and tax increment bond proceeds from the Yerba Buena Center Project earmarked for affordable housing and from tax increment bond proceeds proposed for housing assistance and improvement programs in the South of Market area.

Michael Kaplan, Project Coordinator, South of Market, described the background of the South of Market Earthquake Recovery Project Area and noted that on May 3, 1990, the City Planning Department designated the project boundaries following input from the community residents, property owners and businesses in the area. If the Redevelopment Plan is approved by the Commission today, it will be before the Board of Supervisors for consideration on June 4.

Tom Conrad, Chief, Planning and Programming summarized the elements of the Redevelopment Plan and related documents.

The following persons spoke regarding the proposed Redevelopment Plan: Dino di Donato, South of Market Problem Solving Council; Randy Shaw, Director, Tenderloin Housing Clinic; Charline McCain, 6th Street Association; Ed de la Cruz, West Bay Filipino Multi-Service Corporation; and John Elberling, TODCO.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Following discussion, it was the consensus of the Commission that in accordance with Mr. Elberling's suggestion, that a "first consideration" clause for South of Market based non-profit housing development corporations be added to the Plan language and to Resolution No. 123-90.

The Commissioners commended staff on the Report.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 121-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY Ms. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 122-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 123-90, AS AMENDED.

- (h) Public Hearing to hear all persons interested in a Land Disposition Agreement with Summit Partners for the parcel located at the southwesterly corner of Whitney Young Circle and Hudson Avenue; Hunters Point.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (h), which requests authorization of a Land Disposition Agreement (LDA) with Summit Partners and approval of the Schematic Drawings for the development of Parcel EE-2 located at the westerly corner of Hudson Avenue and Whitney Young Circle in Hunters Point. This is one of six developments approved under the Affordable Housing Program in the Hunters Point area and the developer is ready to proceed with the construction of 27 homes for low-to-moderate income buyers. Because of Agency subsidies the sales prices will range from \$148,000 to \$164,000 whereas if sold at market rate prices would range from \$198,000 to \$215,000. Agency subsidies provide for: up to \$675,000 for public and site improvement expenses; up to \$448,600 for mortgage assistance to be paid by the Agency collectively in the form of "silent" mortgages to assist the purchase of the homes by low-to-moderate income buyers; and a write-down of the land price by \$95,000 conditioned upon all units being sold to low-to-moderate income persons. Affordability restrictions included in the LDA provide for: an assignable option for the Agency to purchase for resale to persons within the low-to-moderate income guidelines; a requirement for owner occupancy; and limits return on investment to purchasers based on the lower of market-rate or the percentage increase of the HUD area limits. These restrictions will be in effect for a 50 year period from date of purchase. The performance schedule calls for submission of evidence of financing by March 13, 1991 and conveyance of the site by April 24, 1991. Staff has reviewed the Schematic Drawings and finds the design concept acceptable.

Berri McBride, Summit Partners, indicated that it is hoped to start construction in 1990 and requested approval of item (h).

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-90 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests conditional authorization of an Owner Participation Agreement (OPA) with TCR North Bay Area 1990, Inc. and approval of the Basic Concept Drawings for the development of Site L, located at the southeast corner of Second and Townsend Streets in Rincon Point-South Beach. It is proposed to construct 205 market rate residential condominiums to be completed in 1993. The owner has agreed to an affordable housing contribution which requires the construction of the equivalent of 20 percent of the market rate units off-site or a \$1 million cash contribution to the Agency's Low and Moderate-income Housing Trust Fund. A public workshop was held on April 3, 1990 to review the Basic Concept Drawings and proposed Affordable Housing Contribution. In addition, the proposed project has been satisfactorily received by the Rincon Point-South Beach Citizens Advisory Committee. Approval of the OPA is conditioned upon the owner taking title to the property and satisfactorily addressing plan and design issues identified by the Agency and City Planning Department. For the past several months the Agency has been working with the Trammell Crow Company for development of this site and Trammell Crow has formed TCR North Bay Area, 1990, Inc. to be owner and developer of the project.

Mr. Bagot requested that item (i) be continued for one week.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (i), RESOLUTION NO. 125-90, WOULD BE CONTINUED TO THE MEETING OF MAY 22, 1990 AT THE REQUEST OF MR. BAGOT. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

President King indicated there would be a brief recess. The meeting recessed at 5:20 p.m. and reconvened at 5:35 p.m. with the same roll call.

- (j) Mr. Helfeld introduced item (j), which is a workshop to provide the background on the Schematic Design for the East Garden in Yerba Buena Center. Omi Lang Associates, Landscape Architects, have completed the schematic design which is based on a partial schematic design approved on May 23, 1989.

Ansu Karneh, Omi Lang Associates, Inc., made a presentation on the Schematic Design for the East Garden and responded to questions from Mr. Bagot regarding access for the handicapped.

Sue Bierman noted that she and Sue Hestor are concerned that having two landscape architects will increase costs and Mr. Helfeld indicated that decision was made many years ago and was known to the community at large. Having two architects has not significantly added to the costs.

- (k) Mr. Helfeld introduced item (k), which is a workshop to receive public input on the proposed Lease and Purchase Option of 1001 Polk Street for use as a Multiservice Center for the Homeless. In accordance with a request from the City, the Agency is negotiating with the owner of the property on the terms of a lease and

purchase option. This site has been used as an emergency shelter since shortly after the October 17, 1989 earthquake and the Red Cross has committed funds to the City for this purpose. This proposed center will be the second of two to be established under the Mayor's Homeless Plan and Agency assistance has been requested in the lease and acquisition of the centers. In the event the Agency leases the building the present evening shelter program would be expanded to include daytime services and referrals to assist the occupants return to independent living. This matter will be before the Commission for action at the May 29, 1990 meeting.

Bob Prentice, Homeless Coordinator, explained the overall program strategy which it is believed will be a long term solution to housing the homeless. He emphasized the need for the Center and described the services it would offer.

In response to an inquiry from Mr. Kitahata, Bill Rumpf, Chief, Housing Production and Management, indicated that meetings had been held by staff from the Mayor's Office with community residents and leaders and merchants. A further community meeting is scheduled for May 21.

The following persons spoke in opposition to item (k): John Bass; Merlin Willis; Gerda Kircher; Gary Zodrow, Polk/Van Ness Coalition; John Dotton; Robert Hutchinson; Randy S. Boyd; Nate Ratner; Mark Biggs; Stephen Cornell; and Pat Darden.

The following persons spoke in support of item (k): Fred Pecker, ILWU; Yori Wada; Mary Culp; Dino di Donato; Josh Brandon, Coalition on Homeless and member of Homeless Task Force; Jack Gibbon, Local 21; and Jim Bowes, Great American Music Hall.

The speakers noted their concerns regarding: an adverse effect on tourism and the business climate; increased crime and the need for more police protection.

Brad Paul, Deputy Mayor for Housing and Neighborhoods, and Bob Prentice, Homeless Coordinator, addressed issues raised by the speakers.

Upon inquiry by Ms. Bolanos, Mr. Rumpf indicated that representatives of the Police Department will be in attendance at the May 21, 1990 community meeting to address the issue of police protection.

REPORT OF THE VICE PRESIDENT

- (a) Mr Bagot referred to a letter from Walter Park, Independent Housing Services, and requested a status report on the developer of the Fillmore Center refusing to accept rental applications from applicants holding Section 8 certificates.

Mr. Helfeld indicated staff is investigating and a report will be made to the Commission.

President King announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency negotiator may negotiate with are:

Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

southwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, May 11, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission is required to add this item.

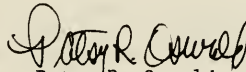
MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MAY 11, 1990.

This item is pursuant to Government Code Section 54957 to discuss personnel matters.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 8:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: June 12, 1990

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#4
5/22/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF MAY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of May, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian

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and the following were absent:

Buck Bagot, Vice President (Arrived 4:05 p.m.)
V. Fei Tsen
Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Katherine Nash, WANA; and Jack Scott, Delancey Street Foundation.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Kitahata, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of April 3, 1990, as distributed by mail to the Commissioners, be approved.

Mr. Bagot arrived at this time, 4:05 p.m.

Ms. Bolanos and Mr. Mardikian indicated they were not present at the April 17, 1990 meeting and therefore could not move approval of the minutes.

At this time, President King turned the Chair over to Mr. Mardikian, 4:07 p.m.

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of April 17, 1990, as distributed by mail to the Commissioners, be approved.

At this time Mr. Mardikian turned the Chair back to President King, 4:09 p.m.

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of March 6, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of April 13, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Staff will be providing the Commission with a memorandum on Economic Development and will arrange for a meeting of the Sub-Committee to discuss it.
- (b) The South of Market Redevelopment Plan is scheduled to be heard by the Board of Supervisors on June 4, 1990 at 3:00 p.m.
- (c) Gene Suttle, Senior Deputy Executive Director, gave a status report on HUD Section 8 Certificate Holders renting in the Fillmore Center. He indicated that meetings in this regard have been held with the Housing Authority and the Developer. The matter is also being reviewed by the Legal Division and a report will be made to the Commission.

Mr. Kitahata requested a Closed Session be calendared for May 29, 1990 to discuss Parcel 1100-T in the Western Addition A-2.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested staff to discuss with the Mayor's Office of Housing, Proposition 84 for construction of low income housing and why the projects in San Francisco were not accepted for this funding.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests conditional authorization of an Owner Participation Agreement (OPA) with TCR North Bay Area 1990, Inc. and approval of the Basic Concept Drawings for the development of Site L, located at the southeast corner of Second and Townsend Streets in Rincon Point-South Beach. It is proposed to construct 205 market rate residential condominiums to be completed in 1993. The owner has agreed to an affordable housing contribution which requires the construction of the equivalent of 20 percent of the market rate units off-site or a \$1 million cash contribution to the Agency's Low and Moderate-income Housing Trust Fund. It is also the owner's intention that once it acquires the site, it will hire a contractor who will pay to laborers and mechanics prevailing wages as set forth in Attachment No. 8, Prevailing Wage Provisions (Labor Standards). A public workshop was held on April 3, 1990 to

review the Basic Concept Drawings and proposed Affordable Housing Contribution. In addition, the proposed project has been satisfactorily received by the Rincon Point-South Beach Citizens Advisory Committee. Approval of the OPA is conditioned upon the owner taking title to the property and satisfactorily addressing plan and design issues identified by the Agency and City Planning Department. For the past several months the Agency has been working with the Trammell Crow Company for development of this site and Trammell Crow has formed TCR North Bay Area, 1990, Inc. to be owner and developer of the project.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-90 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Second Amendment to the Personal Services Contract with Leo E. Borregard which increases the maximum amount payable by \$25,000.
- (b) Authorizing an extension of Exclusive Negotiations, until July 31, 1990, with Bush Street Synagogue Cultural Center for the development of 1899 Bush Street and the rehabilitation of 1881 Bush Street; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT ITEMS (a) AND (b), RESOLUTION NUMBERS 126-90 AND 127-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization of a \$250,000 grant to Delancey Street Foundation for reimbursement of clearance and reconstruction work on the Embarcadero in Rincon Point-South Beach. The Foundation is ready to complete its Embarcadero Triangle project and improvements for pedestrian and vehicular access are necessary. They have offered to undertake the reconstruction work provided they are reimbursed. The grant money would come from the Agency's Affordable Housing Funds which would be replenished next year with funds approved by the City for the Housing Assistance Line item for Rincon Point-South Beach.

Jack Scott, Delancey Street Foundation, requested approval of item (c).

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to extend Exclusive Negotiations, until August 22, 1990, with Harbor View Investment, Inc. for development of the parcel located at the southeast corner of Third and Harrison Streets in Yerba Buena Center. In order to fully utilize the site, the developer made significant efforts to expand the development program. However,

it has recently been decided to proceed with the neighborhood retail shopping center and restaurant proposed originally. Additional time is being requested to provide time to: complete the basic concept drawings; finalize LDA negotiations; submit the LDA to the Mayor's Office for review; and publish the required public hearing notice.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-90 BE ADOPTED.

- (e) Robert Gamble, Deputy Executive Director, Finance introduced item (e), which requests approval to refinance the 1983 Yerba Buena Liquidity Facility Bonds; Yerba Buena Center. In 1983 the Agency issued these bonds in an approximate amount of \$29 million for the purpose of acquiring the parcel presently occupied by the Marriott Hotel. Security for the letter of credit for this borrowing was the sale of six properties in YBC with an estimated value of \$43 million as well as tax increment. Sale of several of the properties has reduced the principal of these interest-only bonds to approximately \$17 million. The principal property securing the remainder of the debt is the East Block 1 parcel currently under contract to Griffin/Related Properties which is expected to be conveyed in August 1991 while the bonds expire at the end of June 1990. The refinancing, which would be under the same terms as the original bonds, is necessitated by the additional time required to complete the sale of that parcel. Staff has received a strong initial response to solicitation efforts to obtain a letter of credit for which the Agency will have to pay an up-front fee of approximately \$25,000, which cannot be reimbursed from the bond proceeds and expenditure authority will be requested at a future time. In the event a letter of credit cannot be obtained at reasonable terms, it will be necessary to consider the sale of unrated bonds, however, this appears to be less desirable because of the higher interest rate they would command.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests approval of the Schematic Design for the East Garden in Yerba Buena Center. The Schematic Design was reviewed at a workshop on May 15 as well as at meetings with Friends of the Gardens, the Cultural Operating Board and the City's handicap accessibility specialists. During the Preliminary Construction Documents Phase, the landscape architects will address issues raised by the public and the Agency.

William Carney, Staff Architect, indicated that based on public comments and staff review, the issues to be addressed by the landscape architects during the development of the preliminary construction documents phase are: refinement of wheelchair access to assure easy grades, level paving and direct routes; alignment of seating areas with sun patterns; provision of ample lighting; selection of plant material for year-round visibility of green

from Third Street and for drought-tolerance; provision of varied forms and textures within the water feature to create visual interest both with and without water; provision of power sources for outdoor performances and booths; coordination of paving patterns and other elements with adjacent spaces; enhancement of the sense of entry into the gardens from Third Street; study of a graceful means of controlling access to the garden during performances; and study of a means to adjust fountain acoustics relative to street noise and performance use.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-90 BE ADOPTED.

- (g) Bill Rumpf, Chief, Housing and Management Production, introduced item (g), which is a workshop to discuss the Affordability Mechanisms to be used in Subsidized Homeownership Developments. A Homeownership Program for low and moderate income buyers has been initiated in Hunters Point for which the Agency has adopted resale mechanisms in Land Disposition Agreements involving a 50-year resale restriction. However, because Bond Counsel advises that this mechanism may not meet IRS requirements for tax-exempt financing, it is proposed to adopt an alternative resale restriction as a backup in the event that the resale price restriction is not allowed so the projects can obtain tax-exempt financing while pursuing legislation or IRS rulings to allow long-term resale controls. It is proposed that the Agency continue to participate in the proposed 1990 San Francisco single-family tax exempt bond issue and amend the LDA's for the Hunters Point Homeownership Program to provide for a resale restriction based on a shared equity formula approved by bond counsel in addition to the current resale price restriction. It is also recommended that the Agency support efforts to amend the federal tax code to clearly allow resale price restrictions in bond-financed, publicly subsidized homeownership housing. Since there is no public representation, it is suggested item (g) be continued to the meeting of May 29, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), A WORKSHOP ON AFFORDABILITY MECHANISMS TO BE USED IN SUBSIDIZED HOUSING, BE CONTINUED TO THE MEETING OF MAY 29, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Agreement with Turner Construction to do rehabilitation work on a volunteer basis for the homeless facility at 695 Bryant Street/525 5th Street and to indemnify them for any liability resulting therefrom.

David Madway, Agency General Agency Counsel, indicated that this is not an Agenda item and, in accordance with Brown Act regulations, a determination needs to be made by the Commission

that the necessity to take action on this item arose after posting of the Agenda on May 18, 1990.

The Commissioners noted their concern that more notice be given regarding items that are of public interest.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THE MATTER AROSE AFTER POSTING OF THE AGENDA ON MAY 18, 1990.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-90 BE ADOPTED.

REPORT OF THE VICE PRESIDENT (Continued)

- (b) Mr. Bagot inquired regarding a letter received from the Ratcliff Family Restaurant to Ssangyong Yashima Future Development dated May 10, 1990.

Gene Suttle, Senior Deputy Executive Director, gave a status report and indicated that staff is working with both parties to resolve the issues and will report to the Commission at a future date.

President King announced that there will be two Closed Sessions pursuant to Government Code 54956.8 to instruct the Agency's real property negotiator, The properties locations and entities with whom the Agency negotiator may negotiate with are:

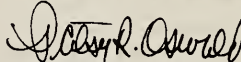
Central Block 1, Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

southwest corner of Brannan and First Streets in Rincon Point-South Beach with Reliance Development Group.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:10 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: June 12, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF MAY, 1990

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5/29/90

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of May, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

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Leroy King, President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian

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and the following were absent:

Buck Bagot, Vice President (Arrived 4:10 p.m.)
V. Fei Tsen
Paul. Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Esta Soler, Director, Family Violence Project; Carla Javitz and Judith Schutzner, Department of Social Services; Kathy Looper, Administrator, Chateau Agape; Ed Illumin, Human Rights Commission; Ace Washington, WAPAC; Norma Planiczka, Bernal Heights East and South Slope Neighborhood Committee; Joel Kamisher; David Schwind; Robert Hutchinson; Gary Zodrow; Shirley Winn; John Dotten; Frank Romero; Marvis Phillips; Mary Russell; Jack Gibbon, Local 2; Yori Wada; Jeffrey Belher; John Tucker; Ed Ilcarin; Steven Hyche; Alexander Kinsman; Ken Williams; Fred Pecker, ILWU; Dennis Vernon; Jim Loyce, Department of Public Health; Antonio F. Garcia, Chairman of the Board, Caballeros de Dimas Alang, Inc; John Garcia, Administrator, Dimasalang House; Natividad Roxas and Marciano Sevandal, Dimasalang House; Jamie Lockettt, Progress Seven; Dr. Rhody McCoy, Future Perfect; Rita Boyle, Project Coordinator-Residence for Women and Children; Paul D. Conatore and Chris Lin, AGS, Inc; Mike Rees, HCDC; Peter Schwab, Bernal Heights East and South Slope Neighborhood Committee; L. Harris; Candida N. Galban; Bill Ramos; Kim Jackson, Local 2; Josephine Ambrosio, Dimas Alang House; Dennis Hitchcock; Allen Ramsey; Helen Himerth; Nate Ratner; Richard Jordan; Randy S. Boyd; I. Lee Murphy Reed; Jean A. Ridgway; Karion Techeira; September Jarrett; Brian C. Slie; Victor Spano; Mark Coffee; Scott Nicolet; Willie V. Smith; Joseph Mizella; P. Coster; Lawson H. Snipes; Stephen Cornell; Timothy Swanson; K.A. Hall; Sandra Hogan; Murphy Hall; John Bella; Hector Bobles; Michael J. Kressbac; and Charles Render.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of April 24, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of May 1, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of May 8, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Closed Session of March 20, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) In response to Mr. Bagot's request at the May 22, 1990 meeting regarding the reasons why San Francisco did not receive any funds from Proposition 84 for construction of low income housing, Bill Rumpf, Chief, Housing and Production Management, reported that submissions from San Francisco requested a higher per unit cost than those that got funded.
- (b) The Agency held a meeting on May 25, 1990 regarding the HUD at-risk housing. It is believed it is important to save housing already in place for low to moderate income persons and it recommended staff time be used to work on this issue.

Mr. Bagot arrived at this time, 4:10 p.m.

UNFINISHED BUSINESS

- (a) Bill Rumpf, Chief, Housing & Production Management, introduced item (a), which is a workshop to discuss the Affordability Mechanisms to be used in Subsidized Homeownership Developments. A Homeownership Program for low and moderate income buyers has been initiated in Hunters Point for which the Agency has adopted resale mechanisms in Land Disposition Agreements involving a 50-year resale restriction. However, because Bond Counsel advises that this mechanism may not meet IRS requirements for tax-exempt financing, it is proposed to adopt an alternative resale restriction as a backup in the event that the resale price restriction is not allowed so the projects can obtain tax-exempt financing while pursuing legislation or IRS rulings to allow long-term resale controls. It is proposed that the Agency continue to participate in the proposed 1990 San Francisco single-family tax exempt bond issue and amend the LDA's for the Hunters Point Homeownership Program to provide for a resale

restriction based on a shared equity formula approved by bond counsel in addition to the current resale price restriction. It is also recommended that the Agency support efforts to amend the federal tax code to clearly allow resale price restrictions in bond-financed, publicly subsidized homeownership housing.

Mr. Rumpf responded to questions from the Commissioners who noted their concern that affordability is being prevented by tax restrictions.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an expenditure of up to \$6,500 to purchase computers and related equipment and software from Toptek Micro Center, Inc.
- (b) Authorizing a Personal Services Contract with AGS, Inc. in an amount of \$10,000 for geotechnical engineering services for the Hunters Point II School Site, located at the southeast corner of Kiska Road and Ingalls Street; Hunters Point.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT ITEMS (a) AND (b), RESOLUTION NUMBERS 133-90 AND 134-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which is a workshop to discuss a request for assistance in establishing Transitional Housing for Women. In April 1990, a group consisting of representatives from a wide range of community and City groups who plan to provide housing and various supportive services to assist women leaving temporary or emergency housing situations and help them achieve independent living, requested assistance from the Agency to include: identification of a suitable site; negotiation of a long-term purchase option agreement; assistance in preparation of a financing plan; and selection of a non-profit owner/sponsor.

Carol Anderson, Housing Development Specialist, indicated that the project provides an opportunity to preserve existing residential care facilities or housing that includes social services for low-income residents. Because of high operating costs, many of the facilities are going out of business which is increasing the affordable housing problem in the City.

The following persons spoke in support of item (c): Esta Soler, Director, Family Violence Project; Carla Javitz, Department of Social Services; Kathy Looper, Administrator, Chateau Agape; Ed Iumin, Human Rights Commission; and Marvis J. Phillips.

Ms. Bolanos inquired if the Agency only proposes to provide technical assistance and Mr. Helfeld indicated that staff will be preparing a recommendation for Commission consideration in the near future.

Antonio Garcia, Chairman of the Board, Caballeros de Dimas Alang, Inc. requested an extension of the date for submission of proposals for the development of the parcel located Fourth and Harrison Streets in Yerba Buena Center.

President King indicated that this matter would be taken up at the end of the meeting.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a \$1,250,000 loan to Hospice by the Bay for the acquisition and rehabilitation of 141 Leland Avenue and 5-11 Peabody Street as part of the City-wide Tax Increment Housing Program. The Hospice has an option to purchase the subject property and propose to construct a 51 unit permanent housing development for low-income persons suffering from Aids/Arc and HIV infections with on and off-site services to be provided by the Hospice. The application for the \$1,250,000 loan has been approved by the Tax Increment Housing Program Loan Committee, however, Commission authorization is also required. The Loan Committee has determined that the project is consistent with the Agency's Mission Statement because: its rent levels are below 60 percent of the City median income; affordability requirements are for 50 years; the loan leverages other funding sources; and a non-profit developer will play the primary role in developing the project. The total cost of the project is estimated at \$2.5 million. A funding commitment of \$1,260,000 has already been obtained from the State Housing Rehabilitation Program and the requested loan would finance the remainder of the development. Authorization of this loan is contingent upon the Hospice obtaining a condition use permit from the City.

Ace Washington, WAPAC, noted his concern that tax increment funds are going to other parts of the City instead of the Western Addition and requested item (d) be continued.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a \$375,200 loan to Innovative Housing for the acquisition and rehabilitation of 2380 Folsom Street as part of the City-wide Tax Increment Program. It is requested this item be continued to the meeting of June 5, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 136-90, WOULD BE CONTINUED TO THE MEETING OF JUNE 5, 1990, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which is a request by the Bernal Heights East and South Slope Neighborhood Committee for consideration of special conditions. On November 28, 1989 the Bernal Heights East and South Slopes Final Revitalization Feasibility Report was adopted and on January 30, 1990, a policy

statement was adopted by the Commission relating to future actions within Bernal Heights. Two issues the Committee raised that staff could not recommend to the Commission are: (1) "no building development or housing shall be permitted on undeveloped street rights of way or other publicly owned land in area" to which language the Committee voted to add: "this will not preclude exchange of comparable private land for public lands on an equal area basis in the same sub-area"; and (2) "Continuation of each phase of the Redevelopment process, and implementation of each significant part of the community redevelopment plan shall be conditioned upon prior to approval of the elected Community Committee".

The following persons spoke regarding item (f): Norma Planiczka, Bernal Heights East and South Slope Neighborhood Committee; Joel Kamisher; and Ace Washington, WAPAC;

Norman Planiczka, Bernal Heights East and South Slope Neighborhood Committee, requested that item (e) be continued to the meeting of June 12, 1990, because of Project Area Committee elections being held on May 29, 1990.

Mr. Bagot requested staff provide information on the formation of Project Area Committees.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (f) WOULD BE CONTINUED TO THE MEETING OF JUNE 12, 1990 AT THE REQUEST OF THE BERNAL HEIGHTS EAST AND SOUTH SLOPE NEIGHBORHOOD COMMITTEE. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Lease and Purchase Option on 1001 Polk Street for use as a Multiservice Center for the Homeless and the expenditure of funds from the Low and Moderate Income Housing Fund up to a maximum of \$40,000 for rehabilitation costs or other related costs. The building has been used as an emergency shelter since the 1989 earthquake and if the Agency leases the it, the City would expand the current evening shelter program to include daytime services and referrals to get occupants into more permanent housing or residential programs. The Mayor's Office has had meetings with neighborhood representatives and the Department of Social Services will prepare a list of mitigation measures in response to concerns raised. In addition, a neighborhood advisory group will be established.

The following persons spoke in opposition to item (g): Robert Hutchinson; Gary Zodrow; Shirley Winn; and John Dotten.

The following persons spoke in support of item (g): Frank Romero; Marvis Phillips; Mary Russell; Jack Gibbon, Local 2; Yori Wada; Jeffrey Belher; John Tucker; Ed Ilcarin; Steven Hyche; Lawson H. Snipes; Alexander Kinsman; Ken Williams; Fred Pecker, ILWU; and Dennis Vernon.

Brad Paul, Deputy Mayor for Housing and Neighborhoods; Judith Schutzner, Department of Social Services; and Jim Loyce, Department of Public Health provided further details on the services that would be provided by the Multiservice Center and mitigation measures that will be taken to address concerns raised.

Mr. Paul noted that this matter also requires approval by the Board of Supervisors.

Mr. Paul responded to questions from Mr. Mardikian regarding comparisons between the Weingarten Center in Los Angeles and the 1001 Polk Street building.

Mr. Kitahata indicated to those that spoke in opposition to this item, that their concerns will be taken into consideration and if the Center does not work out, it can be closed.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Mr. Helfeld indicated that a request has been received from Antonio P. Garcia to extend the date for submission of proposals for the development of a parcel located at Fourth and Harrison Streets in Yerba Buena Center. Because of the urgent need for a supermarket in the area, staff believes the project should move ahead without delay and the deadline for submission of proposals of May 30, 1990 remain unchanged.

Mr. Helfeld indicated that John Elberling, TODCO, has requested the Commission deny the request for an extension because it will cause a delay in a supermarket for which the community have waited a long time.

The following persons spoke in support of granting an extension: Fred P. Richard; John Garcia, Administrator, Dimasalang House; Natividad Roxas and Marciana Sevandal, Dimasalang House.

Following an extensive discussion between the Commissioners, staff and Mr. Garcia, it was the consensus of the Commission, with the exception of Mr. Bagot, that no action be taken on this matter.

- (b) Ace Washington, WAPAC, spoke regarding Powell's Place, the Western Addition A-2 and related matters.

President King requested a status report on Powell's Place.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested information on the schedule for budget

hearings which was provided by Robert Gamble, Deputy Executive Director, Finance.

Mr. Bagot requested a list of groups being advised of the hearings.

- (b) Mr. Bagot inquired regarding the status of economic development and Ms. Bolanos indicated that staff has provided the Sub-Committee with a draft report which will be discussed when Mr. Wartelle returns from vacation.
- (c) Mr. Bagot requested a list of the Board of Directors of Urban Economic Development Corporation (UEDC).
- (d) Mr. Bagot indicated he had not received a breakdown from Toye Moses on how many permanent jobs have been placed by Young Community Developers.
- (e) Mr. Bagot requested a report on Mission Housing and Development Corporation on the issues raised by Ace Washington.

President King announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties and entities with whom the Agency negotiator may negotiate are:

Central Block 1, Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northeast corner of Ellis and Divisadero Streets with San Francisco Associates Development Group in the Western Addition A-2.

There is an additional Closed Session which arose subsequent to the posting of the agenda on Friday, May 25, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON MAY 25, 1990.

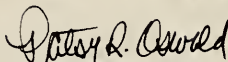
This item is pursuant to Government Code Section 54957 to discuss personnel matters.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:50 p.m.

Minutes of a Regular Meeting, May 29, 1990

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: June 12, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF JUNE, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of June, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata

and the following were absent:

Haig G. Mardikian
V. Fei Tsen
Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ed de la Cruz, South of Market Employment Referral Center; Katherine Nash, WANA; Ocie Rogers; John Elberling, TODCO; and Joanne Lee, Progress Foundation.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On June 4, the Board of Supervisors passed for a Second Reading the Ordinance approving the Redevelopment Plan for the South of Market Earthquake Recovery Redevelopment Project Area.
- (b) David Madway, Agency General Counsel, reported that a law suit has been filed against the Agency and the Commissioners seeking to stop any further expenditure of funds for the Multiservice Homeless Center at 525 Fifth Street and prevent its opening. A temporary restraining order was denied and a preliminary injunction hearing is scheduled for June 14.
- (c) The five developers who have submitted proposals for the site at Fourth and Harrison Streets in Yerba Buena Center will make presentations at the June 12, 1990 meeting which will be held at the Salvation Army Facility, 360 Fourth Street.
- (d) A letter has been sent to owners of developments built with Tax-Exempt Bond Financing to notify them of a meeting scheduled for June 15, 2:00 p.m., to discuss the issue of owners accepting

applicants with Section 8 Certificates or Vouchers. A report will be made to the Commissioners on the outcome of the meeting.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot referred to a resolution by the Port Commission and requested a copy or summary of the Port's Strategic Plan be provided to the Commissioners.

UNFINISHED BUSINESS

- (a) Mr. Helfeld reported on item (a), which requests authorization of a \$375,200 loan to Innovative Housing for the acquisition and rehabilitation of 2380 Folsom Street as part of the City-wide Tax Increment Program. Since this loan is contingent upon the developer obtaining HUD funding, which approval has not yet been received, it is requested this item be continued to the meeting of June 12, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 136-90, WOULD BE CONTINUED TO THE MEETING OF JUNE 12, 1990 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Amending the date for Close of Escrow/Conveyance of Site to the Land Disposition Agreement with Woods-Jefferson Partnership, in connection with the purchase and rehabilitation of the property located at 1339 Pierce Street; Western Addition A-2.
- (b) Authorizing a contract with University of California, Berkeley, for a work study intern program.
- (c) Amending Resolution No. 144-89 to adjust the Compensation for the Classification of Project Coordinator, create a new classification of Assistant Project Coordinator and delete the two classifications of Assistant Community Development Specialist and Community Development Specialist.
- (d) Authorizing an expenditure of \$1,790 for the Data Processing Manager and Senior Programmer Analyst to attend an IBM AS/400-System 38 Technical Conference.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT ITEMS (a) THROUGH (d), RESOLUTION NUMBERS 138-90 THROUGH AND INCLUDING 141-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (a) Public Hearing to hear all persons interested in a land Disposition Agreement with Progress Apartments, Inc. for the parcel located at 1272-1278 Van Ness Avenue.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (e), which requests authorization of an LDA with Progress Apartments, Inc. for the development of a portion of 1272-1278 South Van Ness Avenue. In January 1990, the Agency acquired the property for the purpose of conveying a portion of it to the Developer who will construct a HUD Section 202 project, containing 12 units of housing for low-income mentally disabled persons. A density bonus for handicapped housing has been approved by City Planning and the HUD loan is expected to close in September 1990. Construction will commence shortly thereafter and occupancy is expected to begin by the end of 1991. The project has been presented to various neighborhood groups and no significant opposition from the community is anticipated.

Joanne Lee, Progress Foundation, requested approval of item (e).

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Bagot inquired regarding use for the remaining 4,300 square feet of the parcel and Jack Robertson, Development Specialist, indicated that five units of housing could be built but staff does not have a recommendation at this time.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Sixth Amendment to the Record Architect Agreement with Robinson, Mills and Williams in connection with Yerba Buena Center. Subsequent to authorization of the contract in January 1988 in an amount of \$1.675 million, a Fourth Amendment increased the amount to \$1.719 million to pay for additional services related to the Moscone Convention Center expansion. The proposed amendment will increase the amount payable by \$104,000 for a total contract amount of \$1.823 million. The \$104,000 will be paid from design contingency funds which the Agency has included within the Visual Arts Building project budget of \$19,187,000. Approximately half of the amount will go to Robinson, Mills and Williams, the lead architect for the final construction phase and the other half to Maki & Associates, the design architect, and other technical consultants. The amendment provides for additional services necessary to: revise preliminary construction documents to include additional items requested by the Cultural Board; complete final construction documents for those portions of the Moscone exit stairs which are integral to the Visual Arts Building; and provide for project management services and expenses connected with an extension of the project performance schedule and completion date. It also revises the contract's performance schedule; affirmative action exhibit; hourly rates schedule; clarifies certain administrative aspects of the contract; and stipulates that the

additional services indicated settle any and all claims against the Agency, specifically any which might have been alleged in connection with increases to the construction budget. Details of the firm's affirmative action program have been provided to the Commission, which staff has found satisfactory.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to expend \$10,000 to fund the South of Market Employment Referral Agency until funds are available from the 1990/1991 Agency budget. The Referral Agency was founded to provide a focal point for the South of Market community to facilitate the participation of the neighborhood in employment opportunities at the Marriott Hotel. Marriott funded the office with \$26,000 and the Agency contributed \$10,000. The Center has exhausted current funds and the requested \$10,000 will permit continuation of the present services until next year's budget provides ongoing funding.

Katherine Nash, Local 2, inquired if Local 2 members were being referred by the Center and Helen Sause, Project Director, Yerba Buena Center, indicated that there are not specific referral services for Local 2 members, however, they are free to apply for jobs through the Center.

Mr. Bagot inquired how many of the 238 jobs placed by the Center are permanent and Ms. Sause indicated a report will be provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Non-binding Memorandum of Understanding with YBG Associates in connection with the development of Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center. Discussions are currently underway but not concluded and it is anticipated the results of the negotiations in the form of a Memorandum of Understanding will not be available until the adjourned meeting to be held 5:00 p.m., June 6.
- (i) Robert Gamble, Deputy Executive Director, Finance, reported on item (i), which requests approval of the revised Agency Budget for the period July 1, 1990 - June 30, 1991. Following review of the budget by the Mayor, the recommended reductions must now be ratified by the Commission before the Board of Supervisors considers the budget request. The total project costs are reduced from \$141,271,000 to \$95,547,000 and, since revenues of approximately \$73 million remain basically unchanged, the net project fund requirements are reduced from \$68,388,000 to \$2,454,000 to fund the upcoming fiscal year's requirements. \$66 million set aside for public improvements on Central Block 2 in Yerba Buena Center has been moved into the next fiscal year

because the roof of the Moscone Convention Center will not be ready until August 1991. This results in a reduction of project fund requirements of approximately \$34 million since the balance will be available from land sale proceeds. Funds for affordable housing subsidies are reduced from \$28 million to \$14 million and include reductions in: the City-wide Housing Pool from \$10.5 million to \$8.25 million; housing monies for Rincon Point-South Beach from \$5 million to \$250,000; funding from YBC for use in the South of Market area from \$6.235 to \$4 million; and an elimination of categorical funding for at-risk housing. As a result of extensive discussions with the Mayor's Office and the Citizen's Committee on Community Development, \$685,000 has been added to cover a portion of the housing rehab pool which has traditionally been part of the Community Development program. The Agency's use of program income is expected to be utilized 100 percent for purposes which meet the low to moderate income requirements of HUD. The Commission has been provided with a summary comparison of the Commission request with the Mayor's recommendations which have been incorporated in the revised budget. The budget hearings before the Finance Committee commenced on June 5 and will continue for the next three weeks.

Mr. Bagot indicated that community groups should be urged to testify before the Finance Committee on the Real Estate Transfer Tax issue.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-90 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which is a workshop to provide information on the Agency's Historic Preservation Program. It is requested that this item be continued to a future date.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (j), A WORKSHOP, BE CONTINUED TO A FUTURE DATE AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (e) The Commissioners have been provided with a status report on the proposed Cooperation Agreement between the Agency and the Department of City Planning for the purpose of defining roles of the parties in the implementation of the South of Market Earthquake Recovery Redevelopment Plan.

Ed de la Cruz, South of Market Employment Referral Center, reported on the activities of the South of Market Employment Referral Center.

President King announced that this meeting would be adjourned to June 6, 1990, 5:00 p.m., 939 Ellis Street, Seventh Floor Conference Room, for item (h).

Minutes of Regular Meetings, June 5 and 6, 1990

There will now be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 1, Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens in Yerba Buena Center. The entity with whom the Agency negotiator may negotiate is YBG Associates.

There is an additional Closed Session which arose subsequent to the posting of the agenda on Friday, June 1, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 1, 1990.

At the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Anthony L. Orgell, et al. v. The San Francisco Redevelopment Agency, et al.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session in Real Property Negotiations and a Closed Session on Litigation. The meeting adjourned at 4:40 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at 939 Ellis Street, Seventh Floor Conference Room, at 5:25 p.m., June 6, 1990, with the same roll call.

The President declared that a quorum was present.

Gene Suttle, Senior Deputy Executive Director, and staff members were also present.

Representing the press were: Allen Temko and Steve Massey, San Francisco Chronicle; and Bill Boldenweck, San Francisco Examiner.

UNFINISHED BUSINESS

- (a) David Madway, Agency General Counsel, reported on item (a), which requests authorization of a Non-binding Memorandum of Understanding with YBG Associates in connection with the development of Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center. Discussions are currently underway but not concluded and it is anticipated the results of the negotiations in the form of a Memorandum of Understanding will not be available until 10:30 p.m., June 6.

Minutes of Regular Meetings, June 5 and 6, 1990

President King indicated that the meeting would be recessed until 10:30 p.m., June 6, Fourth Floor Conference Room, 939 Ellis Street. The meeting recessed at 5:30 p.m. and reconvened at 10:45 p.m. with the same roll call.

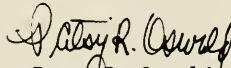
Mr. Helfeld indicated that the Agreement with YBG Associates expires tonight at 12 midnight. Negotiations are continuing and the basic deal points have been agreed on, but time is needed to review those deal points. Therefore, a two week extension has been given to YBG Associates in order to conclude negotiations. A public presentation on the deal points is planned for June 12, 1990 so that the public can be informed and make comments. On June 19 the Commission will be requested to consider taking action on the Memorandum of Understanding.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 1, Central Block 2, Central 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center. The entity with whom the Agency negotiator may negotiate is YBG Associates.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 10:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: July 17, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JUNE, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Salvation Army Facility, 360 Fourth Street, in the City of San Francisco, California at 4:30 o'clock p.m. on the 12th day of June, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

and the following was absent:

V. Fei Tsen

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: A number of persons for the Yerba Buena Center community, representatives of community organizations and interested citizens.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of May 15, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of May 22, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of May 29, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the minutes of the Closed Session of March 27, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

Minutes of a Regular Meeting, June 12, 1990

- (a) On June 11, the Board of Supervisors, on second reading, approved the Redevelopment Plan for the South of Market Earthquake Recovery Area.
- (b) On June 11, the Board of Supervisors passed the Agency's interim budget for fiscal year 1990-1991.
- (c) Mr. Helfeld gave a status report on the Yerba Buena Center project and negotiations with YBG Associates for the development of Central Blocks 1, 2 , 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center.

REPORT OF THE VICE PRESIDENT

- (a) In response to a request from the Commission, efforts by staff have resulted in San Francisco being allocated funding for construction of low income housing under Proposition 84.
- (b) A hearing before the Finance Committee of the Board of Supervisors on the Real Estate Transfer Tax is scheduled for June 20 and it is important all persons and organizations interested in affordable housing testify.

REPORT OF OTHER COMMISSIONERS

- (a) With regard to negotiations with YBG Associates, Mr. Kitahata requested that the following item be added to today's agenda: To direct the Executive Director to not exercise his authority under the Seventh Amendment to the DDA to further extend the time for reaching agreement with YBG Associates on the Phase Three Amendments.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 8, 1990.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a \$375,200 loan to Innovative Housing for the acquisition and rehabilitation of 2380 Folsom Street as part of the City-wide Tax Increment Program. This item was continued from the past two meetings due to Innovative Housing not submitting its application for federal McKinney homeless funds by the deadline date. HUD has now ruled it could accept Innovative Housing's application. Innovative Housing has a purchase contract to acquire the subject property, a newly constructed 3-unit apartment building which would be used to provide transitional housing for up to 16 single homeless women. The loan has been approved by the Tax Increment Housing Program Loan Committee and Commission approval is also required. In addition, the Loan Committee has determined this project is consistent with the Agency's Mission Statement because: its rent levels are below 60 percent of the City Median income;

affordability requirements are for 50 years; the loan leverages other funding sources; and a non-profit developer will play the primary role in developing the project. The total development cost of the project is estimated at \$780,000 and a commitment for operating funds has been secured from the City's Department of Social Services. A predevelopment loan for \$23,850 has also been approved by the Loan Committee and will be repaid from the acquisition loan proceeds. The loan will provide required local matching funds for the application to HUD for a Traditional Housing Grant under the Supportive Housing Demonstration Program and the Agency loan is contingent upon those funds being received.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-90 BE ADOPTED.

Laura Pilkington, Innovative Housing, requested approval of item (a) and indicated that the HUD funding is expected to come through in August 1990.

- (b) Mr. Helfeld introduced item (b), which requested consideration of special conditions requested by the Bernal Heights East and South Slope Neighborhood Committee. It is requested this item be continued to the meeting of June 26, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b) WOULD BE CONTINUED TO THE MEETING OF JUNE 26, 1990 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

Public Hearing to hear all persons interested in an Amendment to the Agreement with Von Otter Development for 1917 Ellis Street; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Fourth Amendatory Agreement to the LDA with Von Otter Development for the rehabilitation of 1917 Ellis Street in the Western Addition A-2. Subsequent to authorization of an LDA in July 1986, the parcel was conveyed on July 28, 1987, with rehabilitation to be completed within twelve months from that date. However, delays were incurred due to internal problems of the development team and design changes. The amendment provides for the Agency's consent to the withdrawal and termination of involvement in the parcel of Louis and Bettye Edwards, leaving 100 percent interest in the partnership with the remaining two general partners Lorraine and Dennis Rigg. It also extends the performance date for completion of rehabilitation to December 12, 1990. Since 75 percent of the work is completed, staff believes work should be permitted to proceed.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), the purpose of which is for presentation of proposals in response to a Request for Proposals (RFP) for the development of Parcel 3751-H, located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. In order of preference, the RFP listed permitted use categories of: a supermarket containing a minimum of 27,500 square feet; a mixed use development consisting of a supermarket with housing; a supermarket with hotel; and a supermarket with other commercial uses, which could include parking. Following presentations by the five developers who submitted proposals, staff will evaluate the qualifications of the respondents and design quality of each development in accordance with the RFP criteria, taking into consideration input from the Commission and public, and make a recommendation at a future date.

Presentations were made by the development teams of: The ADCO Group, Flynn Land Company, Rubin Glickman Associates, Hopkins Development Company, and Taldan Investment Company.

The following spoke regarding item (b): Alberto Delfino, Dimasalang House; Alex A. Esclamado, Philippine News; John Elberling, Yerba Buena Consortium; Leonard de Vera; Franco H. Conaolacion, Filipino Accountants Association; Filomeno Biscocho, President, Confederation of Filipino-Americans; Polly B. Arzaga, Filipino-American Council of San Francisco; Vicente Raul Almasek, President, Dimasalang House Tenants Association; Mary Jane Erwin; Willie Abasta, Mendelsohn House; Jeannie Riggs, Senior Activity Center; Nicholas Dempsey, Cala Foods; Antonio P. Garcia; Mary M. Saunders; Velma Zikerman; and Ernie Lorenzi.

In response to a request from a number of the speakers for an opportunity for the Filipino community to develop the site, the Commissioners noted that an extension of the deadline for submittal of proposals by Antonio Garcia had been denied because it would have been a breach of policy to grant an extension. However, the proposal to develop a Filipino Trade and Cultural Center has their support and staff will be instructed to assist in finding a suitable site.

Mr. Bagot requested staff to report to the Commission on past performance of the developers in other developments and on their affirmative action programs.

President King indicated there would be a brief recess. The meeting recessed at 7:00 p.m and reconvened at 7:10 p.m. with the same roll call.

- (c) Mr. Helfeld introduced item (c), which requests authorization of funding of the Cultural Operating Board in an amount of \$260,000 for the remainder of the Fiscal Year 1989-1990 in connection with Yerba Buena Center. In March 1990, funding of the Cultural Board was authorized for the months of March and April 1990, however, an extension of this funding is being requested because the Agency's budget will not be acted on by the Board of Supervisors until late July. The final agreement for operation of the cultural facilities provides for the Board's management of the facilities and budget provisions that encompass the funding subsidy outlined in the YBG DDA. The request for funds, which will be reimbursed from Marriott Lease Revenues, is in accordance with the Operating Agreement.

Jerry Allen, Executive Director, Yerba Buena Gardens Cultural Center, gave a status report on the activities of the Cultural Center and requested approval of item (c).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 148-90 BE ADOPTED.

President King indicated that item (f) would be taken up before items (d) and (e).

- (f) Mr. Helfeld introduced item (f), which is a workshop to provide information on the Agency's request to owners of developments built with Tax-Exempt Bonds to rent to tenants with Section 8 Certificates and Vouchers. Pursuant to a letter from Mr. Walter Park, Director of Independent Housing Services, regarding Fillmore Center Associates' refusal to accept applications from Certificate Holders, to date staff has been unsuccessful in persuading the developer to accept the applications because it is believed that such a policy should apply to all developments financed with Agency bonds. Staff concurs with this view point and has arranged a meeting for June 15 with the developers of all six bond-financed developments to seek their cooperation on this issue. The current LDA's contain language requiring the owner to use his "best efforts to achieve an economically and racially integrated development". In future developments financed with Agency tax-exempt bonds, the Commission could explicitly prohibit discrimination against Section 8 certificate or voucher holders. A report on the outcome of the June 15 meeting will be made next week.

Bill Rumpf, Chief, Housing Management and Production, reported on the efforts staff has made in contacting developers with bond financed projects regarding Section 8 Certificate Holders and Voucher Holders.

Louis Preston, Housing Management Supervisor, noted the difference between the categories of Section 8 Certificate Holders and Voucher holders and responded to questions from the Commissioners regarding current rents and fair market rents established by HUD.

The following persons spoke regarding item (f): Richard Allman, Elizabeth Serna and Walter Park, Independent Housing Services; Clara Helsey; Erica Silverberg; Coalition for Low Income Housing; Byrna Melgar; Chuck Carpenter, Coalition on Homelessness; Marcella McDonald; Terry Hogan; and Mr. Armondo, St. Peter's Housing.

It was the consensus of the Commission that developers refusing to accept applications from Section 8 Certificate Holders and Voucher Holders be given an opportunity to explain their reasons at the meeting scheduled for June 15 and a status report be made at the June 19 meeting.

Mr. Rumpf introduced Michele Davis, Housing Specialist, who recently joined the Housing Division.

President King indicated that items (d) and (e) would now be taken up.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Sixth Amendment to the Personal Services Contract with Adamson Associates for cost estimating services in connection with Yerba Buena Center. Because of its long term involvement in the project, this firm is able to provide accurate information in a timely manner. The work includes: evaluating cost estimates submitted by the Agency's four architectural teams; cost analysis for the development of public facilities on the Central Blocks; analysis of YBG Associates' proposals; assisting staff in adjusting various items in the overall project budget; and identifying costs attributable to the Moscone Convention Center expansion. The amendment will increase the amount payable by \$25,000 for a total contract amount of \$150,000. Details of the firm's affirmative action program has been provided to the Commission which staff finds acceptable.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a First Amendment to the Agreement for Professional Services with Yerba Buena Center. The contract was authorized in April 1988 for environmental consulting services in connection with the preparation of a Third Supplement to the Final Environmental Impact Report (EIR) for Yerba Buena Center and the first phase has now been completed. The next phase involves review of development alternatives to be covered in the EIR Third Supplement which would culminate in the preparation of an Initial Study towards completion of the Third Supplement. The amendment will: increase the amount payable by \$75,000 for a total contract amount of \$119,700; extends the term; and expands the scope of services. Details of the firm's affirmative program have been provided to the Commission which staff considers to be satisfactory.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-90 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT THE EXECUTIVE DIRECTOR BE DIRECTED TO NOT EXERCISE HIS AUTHORITY UNDER THE SEVENTH AMENDMENT TO THE DDA TO FURTHER EXTEND THE TIME FOR REACHING AGREEMENT WITH YBG ASSOCIATES ON THE PHASE THREE AMENDMENTS.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (d) The Agency Secretary will write a letter to the Salvation Army thanking them for use of the facility and their hospitality.

REPORT OF THE VICE PRESIDENT (Continued)

- (c) Mr. Bagot indicated that he had not received, per his request, a copy of the Board of Directors of Urban Economic Development Corporation or a report from Toye Moses on the number of job placements UEDC has made.

Gene Suttle, Senior Deputy Executive Director, indicated that due to a turnover in staff, Mr. Moses had not been able to make the report but Leamon Abrams, Chief, Economic Development, will provide further information to Mr. Bagot.

- (d) At Mr. Bagot's request, Robert Gamble, Deputy Executive Director, Finance, summarized the recommendations made by the Budget Analyst to reduce the Agency's budget.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Block 1, Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center. The entity with whom the Agency negotiator may negotiate is YBG Associates.

There is an additional Closed Session which arose subsequent to posting of the agenda on Friday, June 8, 1990. Pursuant to Government Code Section 54954.29B)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 8, 1990.

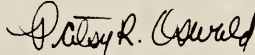
At the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Anthony L. Orgell, et al. v. The San Francisco Redevelopment Agency, et al.

ADJOURNMENT

Minutes of a Regular Meeting, June 12, 1990

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations and a Closed Session on Litigation. The meeting adjourned at 8:45 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: July 17, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JUNE, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of June, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
Paul Wartelle

and the following were absent:

Buck Bagot, Vice President (Arrived 4:20 p.m.)
V. Fei Tsen

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Art Agnos, Mayor; Brad Paul, Deputy Mayor for Housing and Neighborhoods; Al Williams, Sharon Polledri and Jeanette Ryan, YBG Associates; Charlotte Berk; Neil Goldman, Mental Health Advisory Board; Katherine Nash, WANA/Rainbow; Ace Washington, WAPAC; Walter Park, Independent Housing Services; Marcella McDonald; Kes Narbutas, Fillmore Center; Sue Bierman and Sue Hestor, Friends of the Gardens; Pamela Sims, San Francisco Housing Development Corporation; Essie Collins; Ocie Rogers; Jane Herzog; Christine Haw, Mayor's Office of Community Development; and Robert Pender, San Francisco Housing and Tenants, Park Merced.

Representing the press was: Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On June 19, the Finance Committee of the Board of Supervisors approved the Agency's 1990-1991 Budget and did not accept all of the major recommendations of the Budget Analyst's report.
- (b) On June 21, 11:15 a.m., at the Filipino Senior Club, the Mayor will be signing the South of Market Earthquake Recovery Redevelopment Plan Ordinance.
- (c) On June 18, the Board of Supervisors passed an ordinance on the \$16,785,000 Yerba Buena Center Project Liquidity Facility Revenue Bonds, which is an item under the Consent Agenda today.

Minutes of a Regular Meeting, June 19, 1990

- (d) David Madway, Agency General Counsel, reported that the Superior Court ruled against the Plaintiffs and in favor of the Agency with regard to the Multi-Service Center for the Homeless at Fifth and Bryant Streets which means plans for rehabilitation and occupancy of the building can continue.
- (e) On June 20, the Finance Committee of the Board of Supervisors will consider the Real Estate Property Transfer Tax increase which is important for housing programs. Staff will cover this item and report back to the Commission.
- (f) On June 28, 5:30 p.m., there will be an event for Leo Borregard at Harris' Restaurant.

NEW BUSINESS - CONSENT AGENDA

President King indicated that Mr. Bagot had requested item (f) be removed from the Consent Agenda and considered as a Regular Agenda item.

- (a) Authorizing a First Amendment to lease for office space with Bay Area Air Quality Management District which increases the total rent payable by \$59,695.
- (b) Authorizing a Letter Agreement in an amount of \$55,000 with the San Francisco Department of Public Works for Building Inspection Services for the period July 1, 1990 to June 30, 1991; All Redevelopment Project Areas.
- (c) Authorizing a Letter Agreement in an amount of \$5,900 with the San Francisco Department of Public Works for Rehousing Inspection Services for the period July 1, 1990 to June 30, 1991; All Redevelopment Project Areas.
- (d) Authorizing a First Amendment to the Contract for Space Planning Services with Robinson Mills and Williams to increase the compensation in an amount not to exceed \$10,300 in connection with the Agency's move of offices to 770 Golden Gate Avenue.
- (e) Providing for the remarketing of \$16,785,000 principal amount of Yerba Buena Center Redevelopment Project Liquidity Facility Revenue Bonds, Series 1983 (Extend Maturity); approving the form and authorizing the execution and delivery of an Indenture of Trust, Reimbursement Agreement, a Deed of Trust, a Pledged Bond Agreement, a Remarketing Agreement, a Tender Agency Agreement and a Remarketing Memorandum; and authorizing official actions in connection therewith; Yerba Buena Center.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT CONSENT ITEMS (a) THROUGH (e), RESOLUTION NO. 151-90 THROUGH AND INCLUDING RESOLUTION NO. 155-90 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (g) Public Hearing to hear all persons interested in conditionally granting a Variance to United Bank, F.S.B. modifying the off-street parking requirement at the northwest corner of Turk Street and Van Ness Avenue; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (g), which requests Conditionally Granting a Variance to United Bank F.S.B. modifying the parking requirement for the Office Building located at the northwest corner of Turk Street and Van Ness Avenue in the Western Addition A-2. The building was completed in 1984 and a parking garage providing the required 137 spaces was included in the development. Three United Bank Branches were closed due to the October 1989 earthquake and in order to provide storage for files from the closed banks a parking variance for three years, reducing the parking requirement from 137 to 125 spaces, is being requested. The twelve existing parking spaces will be fenced off to provide the needed storage space and the spaces will revert back to parking spaces at the expiration date of the variance. A random three week survey by staff found that 50 to 60 parking spaces are vacant daily in the Van Ness Building and it appears that the variance will not result in inadequate off-street parking. In addition, because of the special circumstances, staff believes that the variance should be granted.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-90 BE ADOPTED.

Mr. Bagot arrived at this time 4:20 p.m.

- (f) Mr. Helfeld introduced item (f), which requests authorization to issue a Request for Proposals for the purchase and development of Parcel F-1 located at the southwest corner of First and Bryant Streets in Rincon Point-South Beach.

Upon inquiry from Mr. Bagot, Darby Kremers, Development Specialist, noted that there had been a substantial decrease in the appraisal of the property. Because of the site difficulty it would be possible to construct only twenty units and it would be difficult to accomplish affordable housing.

ADOPTION: IT WAS MOVED BY MR BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 156-90 BE ADOPTED.

- (h) Bill Rumpf, Chief, Housing Production and Management, reported on the status of the Agency's request to developers of bond-financed developments to accept rental applications from Section 8 Certificate Holders and Voucher Holders. He indicated that, to

date, the developers have not agreed to accept a Policy Statement prepared by staff.

The following persons spoke regarding item (h): Neil Goldman, Mental Health Advisory Board; Katherine Nash, WANA/Rainbow; Ace Washington, WAPAC; Walter Park, Independent Housing Services; Marcella McDonald; and Kes Narbutas, Developer, Fillmore Center.

Mr. Bagot indicated he wanted item (h) to be considered as an action item.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 15, 1990.

At this time, 5:30 p.m., Art Agnos, Mayor, and Brad Paul, Deputy Mayor for Housing and Neighborhoods arrived and President King indicated item (j) would now be taken up.

- (j) Mr. Helfeld introduced item (j), which requests authorization of a Non-binding Memorandum of Understanding with YBG Associates in connection with the development of Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center. He summarized the highlights of the transaction and acknowledged the assistance of all concerned in bringing the negotiations to a successful conclusion.

The following persons spoke regarding item (j): Sue Bierman, Friends of the Gardens; and Al Williams, YBG Associates.

Mr. Williams expressed appreciation to the Commissioners, staff, Brad Paul, members of the public, and YBG Associates development team for their efforts.

Mayor Agnos commended Brad Paul, Agency Commissioners and Staff, YBG Associates and Friends of the Gardens.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-90 BE ADOPTED.

- (h) (Continued)

An extensive discussion ensued between the Commissioners, staff and Mr. Narbutas, following which Mr. Wartelle made the following motion:

THE FOLLOWING TO BE CHECKED WHEN RESOLUTION PREPARED.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT: (A) A POLICY BE ADOPTED TO BE INCLUDED IN FUTURE LAND DISPOSITION AGREEMENTS, BOND REGULATORY AGREEMENTS, AND OWNER PARTICIPATION AGREEMENTS FOR BOND-FINANCED PROJECTS SPECIFICALLY PROHIBITING DISCRIMINATION AGAINST APPLICANTS WITH SECTION 8 CERTIFICATES OR VOUCHERS; (B) NOTICE OF INTENT BE GIVEN

TO CURRENT OWNERS THAT THE COMMISSION WILL REQUIRE A POLICY OF ACCEPTING APPLICANTS WITH SECTION 8 CERTIFICATES OR VOUCHERS, AS A CONDITION OF ANY FUTURE AMENDMENT OR DISCRETIONARY APPROVAL WHICH CAN BE LEGALLY TIED TO SUCH A REQUIREMENT; (C) CONSIDER TAKING LEGAL ACTION TO COMPEL OWNERS TO ACCEPT SECTION 8, EITHER ASSIST HOMESEEEKERS WITH SECTION 8 WHO ARE ARBITRARILY REJECTED TO OBTAIN COUNSEL, OR BECOME DIRECTLY INVOLVED AS A PLAINTIFF IN LITIGATION TO SEEK TO END DISCRIMINATION AGAINST SECTION 8 HOLDERS; (D) PROVIDE POSITIVE PUBLICITY OR OTHER INCENTIVES FOR OWNERS TO ACCEPT SECTION 8 APPLICANTS; (E) DIRECT OPERATION SENTINEL TO PERFORM ADDITIONAL FAIR HOUSING TESTS IN DEVELOPMENTS WHO REJECT SECTION 8 TO CHECK FOR DISCRIMINATORY BEHAVIOR; (E) REQUEST THAT THE CITY ADOPT A SIMILAR POLICY.

- (i) Mr. Helfeld introduced item (i), which requests authorization to expend \$496,555 from the San Francisco Low and Moderate Income Fund to fund ten Community Agencies to provide Housing and Economic Development Services. Budget amendments totalling \$591,555 were requested from the Board of Supervisors to provide funding to eleven community based organizations engaged in housing and economic development services. The Finance Committee deleted funding for one organization and approved a budget amendment totalling \$496,555 which it is proposed be used to fund ten organizations. The largest portion of these funds is for the San Francisco Housing Development Corporation, a newly created nonprofit housing corporation which will provide marketing services and homeownership assistance in the Western Addition A-2 and Hunters Point project areas. An advance will be made to SFHDC for start-up costs and the balance of funds will be administered through a contract with the Mayor's Office of Housing. Staff has been meeting regularly with SFHDC to develop a work program and workshops will be held to assist renters in understanding the responsibilities and financial obligations of homeownership. In addition, the Agency has approved funding for capital improvements for nine projects related to the delivery of housing services to homeless low-income persons or individuals with special housing needs. These projects were identified as high priorities when applying for Community Block Grant Funds, however there were insufficient monies to cover these costs. The Commission has been provided with a list of the organizations approved by the Board of Supervisors to receive Agency funding.

The following persons spoke regarding item (i): Neil Goldman, Mental Health Advisory Board; Ace Washington, WAPAC; and Pamela Sims, SFHDC.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-90 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Bill Rumpf, Chief, Housing Production and Management, introduced item (a), which requests authorization to enter into an Agreement to indemnify the Owners of the property at 1001 Polk Street for

the removal of asbestos tiles. This is part of the temporary rehabilitation work necessary to open the Homeless Multi-Service Center on the site. There is a need to move expeditiously in order to meet the time line for opening the Center.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 15, 1990.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Essie Collins inquired if Western Commercial Partnership was being requested to accept Section 8 Certificate Holders and Voucher Holders and Mr. Rumpf indicated affirmatively.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot requested a Closed Session on Personnel.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 15, 1990.

- (b) Mr. Bagot requested more Agency meetings be held in the community.

President King instructed staff to investigate alternative sites and costs and report to the Commission.

President King announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The properties and entities with whom the Agency negotiator may negotiate are:

815 Eddy Street with Planned Parenthood; and

Central Block 1, Central Block 2, Central Block 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

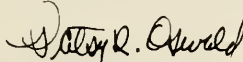
There will also be a Closed Session pursuant to Government Code Section 54956.9(a) on the subject of litigation. The name of the case is Anthony L. Orgell, et al. v. The San Francisco Redevelopment Agency, et al.

There will also be a Closed Session Pursuant to Government Code Section 54957 to discuss personnel matters.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations, a Closed Session on Litigation and a Closed Session on Personnel. The meeting adjourned at 6:50 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: July 17, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF JULY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of July, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Katherine Nash, WANA/Rainbow; Terry Milne, Bob Heacock, Robin Day and Norma Planiczka, Bernal Heights East and South Slope Neighborhood Committee; and Al Williams, Olympia & York.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE PRESIDENT

- (a) On behalf of the Commission, President King welcomed Ms. Tsen back after her leave of absence.

Ms. Tsen thanked the Commissioners and staff for keeping her informed of Agency activities.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On June 27, the California Debt Limit Allocation Committee approved the full \$35 million bond allocation for the City's single-family mortgage revenue bond program, which includes the Agency's Hunters Point ownership projects and Agency sponsored developments in other Redevelopment Areas. Of the \$35 million, \$20.650 million has been allocated to Agency projects, with the remainder to be administered by the Mayor's Office of Housing. This distribution is based on the current development schedules of

all qualified housing projects anticipated to be included in the bond program. Approximately \$415,950 in bond issuance costs will be incurred by the Agency, based on its \$20.650 million bond allocation. This cost will be paid from the \$7 million tax increment money already set aside for the Hunters Point homeownership projects. The bonds are expected to be sold within the next two weeks, by which time the homebuyer's mortgage rate will be determined.

- (b) A Housing Retreat will be held jointly by the Redevelopment Housing Division and the Mayor's Office Housing staff on July 13, noon to 5:00 p.m. at the Golden Gateway Holiday Inn. The purpose of the Retreat is to review the past years City-wide Tax Increment Housing Program and to plan for the coming year's program.

REPORT OF THE VICE PRESIDENT

- (a) Mr. Bagot inquired regarding a letter from Calvin Welch, CCHO, concerning the housing set aside for the overall Yerba Buena Center project. Mr. Helfeld noted that this was being responded to. He indicated that while it had been anticipated that there would be additional funds which could go for housing, certain advances paid by the Developer had not been factored in the budget and when these were taken into consideration it was necessary for the total exactions to go into the overall project. However, there would be an early payment for this property. This early payment will result in an additional \$700,000 to be paid in real estate taxes and it is recommended the Agency request the Board of Supervisors allocate this amount for housing in the South of Market area for the 1991-1992 fiscal year.
- (b) Mr. Bagot requested a copy of a critique of the Mission Bay Plan by the Mission Bay Consortium.
- (c) In response to an inquiry from Mr. Bagot regarding a letter from Catherine Sneed Marcum, Director, Horticulture Program, Office of the Sheriff, regarding acquisition of a parcel of land in Hunters Point owned by Southern Pacific, Mr. Helfeld indicated he had spoken to the writer and indicated the Agency is willing to provide assistance to the best of its ability, however, funds are not available.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a continuation of a request to be heard by the Bernal Heights East and South Slope Neighborhood Committee. At the June 26 meeting, representatives of the Committee requested certain conditions relating to the public rights-of-way or other publicly owned land within Bernal Heights and consideration of prior approval by the community of Commission actions in the redevelopment process. During the community presentation, adopted legislation was referred to that prohibits development on officially vacated public rights-of-way and the continuation of such public rights-of-way as permanent

community space. The Commission directed staff to verify the existence of such legislation which resulted in a finding that in July 1981 legislation was passed to preclude the use of vacated unimproved streets for any other use except open space. Staff therefore recommends that the Commission follow the existing City policy on this matter. With respect to the issue of prior community approval of each phase of the redevelopment process, Agency General Counsel's opinion is that the Agency Commission may not delegate its governmental function to a private organization with an economic interest in issues to be decided and will provide the Commission with his findings and determinations in writing.

The following persons spoke regarding item (a) Terry Milne, Bob Heacock, Robin Day and Norma Planiczka, Bernal Heights East and South Slope Neighborhood Committee; and Ace Washington, WAPAC.

Mr. Wartelle noted his potential conflict of interest because he lives within a certain distance of project area and indicated he would abstain from the discussion and voting on any items regarding the subject matter.

David Madway, Agency General Counsel, indicated there are statutory rights and if a Project Area Committee opposes the Agency's Plan then they can force a two-thirds vote by the Board of Supervisors for Plan adoption. In his opinion he feels that the Commission cannot legally grant to the Bernal Heights Committee a formal veto or over the adoption of a Redevelopment Plan and over Commission actions in execution of a Plan.

A discussion ensued between the Commissioners, Staff and the Bernal Heights Committee, following which it was agreed that Agency legal staff would attend a meeting at the Bernal Heights Community Foundation on July 24, 7:00 p.m., to work out language with respect to the issue of prior community approval of each phase of the redevelopment process that would be acceptable to the Agency and the Committee.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Deed and other Conveyance Instruments in connection with the resale of 1949 O'Farrell Street to JoAnne Roshelle Kizine; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of a Deed and other Conveyance Instruments related to the resale of 1949 O'Farrell Street in the Western Addition A-2 to JoAnne Roshelle Kizine and approving the disposition price of \$250,000.

In March 1988 the Agency purchased this rehabilitated Victorian unit through exercise of its repurchase option. The proposed buyer, who is on the waiting list for turnover units through the Western Addition A-2 Affordable Condominium Program, meets the Agency's income criteria and a bank loan has been approved. The sales price is set at fair market value, however, the unit's affordability will be maintained by continuing to defer repayment of the Agency's second mortgage which includes the Agency's share of the appreciation which has accrued since the original sale in 1983. Although the Agency's current housing policy requires long term affordability, this particular program specifies a 7-year repurchase option period and to require a longer term would require approval of all the association members which would be difficult to accomplish.

Ace Washington, WAPAC, spoke regarding item (a).

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Second Amendatory Agreement, which amends the allowed development costs and revises the performance dates, to the LDA with Fillmore Renaissance Associates for Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. The proposed development consists of approximately 102 condominiums with an interior garden and health club and 30,000 square feet of retail space. A delay has been incurred because the developer had difficulty in meeting the Agency's design concerns and at the same time producing a financially feasible project. A Schematic Design acceptable to staff has now been submitted and the developer has requested a 90-day extension to submit the Preliminary Construction Documents and an adjustment of all subsequent performance dates. The developer has also requested that the cost of the post construction warranty be added to the allowed development costs for the project's low income units. The LDA provides that 20 percent of the units shall be for low income purchasers and it includes a list of Allowed Development Costs which will be based upon the costs to the Agency of those units. Staff believes the request to provide for extended warranty in the event of constructions defects to be a legitimate and worthwhile expense. The revised performance schedule calls for: submission of evidence of financing by April 24; conveyance of the site by May 22; and start of construction by June 21, 1991.

Ace Washington, WAPAC, spoke regarding item (b).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests approval of a revised Schematic Design for the Esplanade in Yerba Buena Center. Approval of the revised design, which was presented at a public workshop on July 2, 1990, will permit the architects to complete the Preliminary Construction Documents in October 1990 and Final Construction Documents in May 1991, allowing construction to begin when the roof of the Moscone Convention Center is completed in the summer of 1991. It is believed the revised design successfully addresses the wide range of concerns raised by those involved in the process.

The following persons spoke regarding item (c): Ace Washington, WAPAC; and Al Williams, Olympia & York/YBG Associates.

It was the consensus of the Commission that, in accordance with a request from Mr. Williams, the language for Item No. 11 in staff memorandum dated July 10, 1990, be amended to read as follows: "Pedestrian Bridges. Design of the bridge over 4th Street will be deferred until a location is determined".

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-90 BE ADOPTED.

Robert Gamble, Deputy Executive Director, Finance, introduced items (d), (e), (f) and (g), all of which relate to the financing of Central Block 1 in Yerba Buena Center.

Item (d) requests adoption of a Resolution of Intention of the Redevelopment Agency to establish a Community Facilities District and authorization to levy a special tax pursuant to the Mello-Roos Community Facilities Act of 1982.

Item (e) requests adoption of a Resolution of Intention to incur bonded indebtedness of the proposed Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 2 (Yerba Buena Gardens) pursuant to the Mello-Roos Community Facilities Act of 1982.

Item (f), Resolution No. 174-90, will be removed from today's agenda and considered at a Special Meeting of the San Francisco Redevelopment Financing Authority.

Item (g) requests authorization of the sale by the Agency of Revenue Bonds in an amount not to exceed \$40 million.

Approval of these items will provide preliminary approval of the financings necessary to implement the portions of the Memorandum of Understanding with YBG Associates/Olympia & York regarding payments for Central Block 1 and will result in net proceeds to the Agency of over \$45 million which will be used for the construction of the gardens and the cultural buildings on Central Block 2 and public uses on Central Block 3. Final bond documents will be brought before the Commission for approval in August prior to actual sale of the bonds and actions today are to expedite the

process and consideration of these matters by the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-90 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-90 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-90 BE ADOPTED.

President King indicated there would be a recess to convene a meeting of the City and County of San Francisco Redevelopment Financing Authority. The meeting recessed at 5:28 p.m. and reconvened at 5:35 p.m. with the same roll call.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Personal Services Contract with Steefel, Levitt and Weiss in an amount of \$280,000 to provide legal services for Yerba Buena Center and related Agency matters. The Agency recently reached agreement with YBG Associates on the business terms which could be incorporated in an Eighth Amendment to the existing Disposition and Development Agreement (DDA) which is subject to a favorable environmental review process and other factors. The Steefel firm is familiar with the transaction from their involvement in the original agreement consummated in 1984 and are expert real estate counsel. Staff estimates that the work required through the Eighth Amendment will not exceed the contract amount and the rates are competitive with comparable legal services available in the City. Details of the firm's affirmative action program, which is considered satisfactory, have been provided to the Commission.

Ace Washington, WAPAC, spoke regarding item (h).

President King noted that there has been a great improvement in the firm's affirmative action program.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-90 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization of an additional expenditure of funds in an amount not to exceed \$400,000 for predevelopment loans as part of the City-wide Tax Increment Housing Program (TIHP). An expenditure of \$500,000 was authorized by the Commission for fiscal year 1989-1990 as part of the \$10 million City-wide Tax Increment Housing Program. However, because total authorization of the the four other TIHP programs were not fully appropriated, the TIHP Loan Committee approved predevelopment loans which exceeded the \$500,000 authorization to meet demand. To date, the Loan Committee has approved approximately \$775,000 in predevelopment loans and there are other such loans pending. Authorization of the \$400,000 will enable the Agency to fund the additional \$275,000 in loans already approved

and provide a balance of up to \$125,000 for pending applications. Pre-approved expenditures will permit quick turnaround of the predevelopment loans for options, feasibility studies and other preliminary work. Funds originally budgeted for the homeless multiservice centers have now been fully repaid by the American Red Cross and are available for these loans.

Ace Washington, WAPAC, spoke regarding item (i).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-90 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of a Purchase Agreement and related documents for acquisition of a new Telephone System from Pacific Bell for installation at the Agency's new offices at 770 Golden Gate Avenue and the off-premises location of Central Records. The Agency's current system is limited functionally and does not offer a number of cost saving features provided by newer systems. With the assistance of a telephone consultant, eleven proposals were solicited and, after evaluation, Pactel Meridian Systems is recommended as the vendor who proposes a highly regarded Northern Telecom telephone system. The system has many desirable features which include: all costs of cabling for voice and data; a voice mail system; and a call accounting package at a cost not to exceed \$156,647, plus a ten percent contingency.

Ace Washington spoke regarding item (j).

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-90 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization to amend Resolution No. 165-90 to establish classifications of positions and compensation for Non-bargaining Unit Staff to be effective July 1, 1990. Subsequent to the June 26, 1990 meeting, further information has been provided to the Commission regarding comparability with City classifications and rates of pay for other major redevelopment agencies in California. Staff believes that the increases are necessary to maintain comparability with the City and competitive salaries.

Mr. Bagot indicated that he had reviewed the material provided and was now satisfied with the salary comparabilities.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding the Powell issue in the Fillmore Center and requested WAPAC be on the agenda.

President King indicated that the Commission would take these matters under consideration.

REPORT OF THE VICE PRESIDENT (Continued)

- (d) In response to an inquiry from Mr. Bagot, Mr. Helfeld indicated that it is planned to hold a meeting to coincide with reviewing proposals on the Hunters Point School II Site at the Earl P. Mills Community Center in Hunters Point.

President King announced that there will be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency negotiator may negotiate with are:

southeasterly corner of Phelps Street and Williams Avenue in South Bayshore with Michael Feldman; and

northeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Renaissance Associates; and

Central Blocks 1 and 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

There are two additional Closed Session items which arose subsequent to the posting of the agenda on Friday, July 6, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON JULY 6, 1990.

The first item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location and entity with whom the Agency negotiator may negotiate is Central Block 2 in the Yerba Buena Gardens of Yerba Buena Center with the Yerba Buena Gardens Cultural Board.

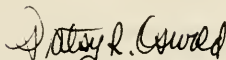
The second item is pursuant to Government Code Section 54957 to discuss personnel matters.

ADJOURNMENT --

It was moved by Mr. Mardikian, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:05 p.m.

Minutes of a Regular Meeting, July 10, 1990

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is written in a cursive style with a large, stylized initial "P".

Patsy R. Oswald
Agency Secretary

APPROVED: August 14, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF JULY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of July, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
V. Fei Tsen
Paul Wartelle

and the following was absent:

Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Elberling, TODCO; Katherine Nash, WANA/Rainbow; and John Anderson, Grubb & Ellis.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 5, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 12, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 19, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the minutes of the Closed Session of April 17, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of April 24, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of May 1, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of May 8, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of May 15, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Delancey Street will be celebrating their grand opening at their new home on July 26, 1990 from 5:00 p.m. to 9:00 p.m., 600 Embarcadero at Brannan and First Streets to which the Commissioners have received an invitation. The invitation referenced contributions and a letter has been sent to Dr. Mimi Silbert, President of the Delancey Street Foundation and noting that the \$1.650 million contribution by the City, through the Redevelopment Agency, was apparently inadvertently omitted.
- (b) The lease for the Agency's new offices at 770 Golden Gate contains a provision that the owner would spend up to \$30 per square foot for tenant improvements and it is pleasing to note the bids received are below that figure.
- (c) The Commissioners have been provided with a copy of a memorandum from Mr. Kitahata regarding the possible involvement of the Agency in the Sears Roebuck site at Geary and Masonic. This matter has been discussed with Brad Paul, Deputy Mayor, who was receptive to the Agency having a part in assisting in that endeavor.
- (d) The Citizens Advisory Committee for the International Hotel voted unanimously to request that the entire block be designated as a Survey Area and the Agency has been approached by the Deputy Mayor to assist in moving that along and see what can be done in terms of affordable housing.

NEW BUSINESS - CONSENT AGENDA

- (a) Designating Commissioner Vivian Fei Tsen as the Agency Representative on the Yerba Buena Gardens Cultural Center, Inc. Board of Directors; Yerba Buena Center.
- (b) Awarding a Contract to Tong's Construction Co. for remedial work at 1949 O'Farrell Street in the amount of \$5,110.00; Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NOS. 180-90 AND 181-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization to designate the South of Market Problem Solving Council (SOMPSC) as the Citizen's Advisory Committee for the South of Market Earthquake Recovery Redevelopment Project. Subsequent to the October 1989 earthquake, a Redevelopment Plan was adopted by the Agency in May 1990 and an Ordinance adopting the plan was passed by the Board of Supervisors and signed into law by the Mayor in June 1990. The Council has been acting as a Citizen's Advisory Committee on matters relating to the creation of a redevelopment project to remedy damage caused by the earthquake and the proposed action will designate them officially to that capacity in which they will be directly involved in all South of Market Redevelopment Project activities, including the programs for new and rehabilitated housing development, business and job enhancement opportunities and potential infrastructure improvements.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Lease with Planned Parenthood Alameda/San Francisco for Suite 102 at 815 Eddy Street for use by the Agency's Central Records Section. The new Agency offices at 770 Golden Gate Avenue does not have sufficient space to accommodate the Central Records Section and it has been determined that this function can be efficiently placed in a separate location without substantially disrupting Agency operations.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-90 BE ADOPTED.

President King announced that there will be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency negotiator may negotiate with are:

southeasterly corner of Phelps Street and Williams Avenue in South Bayshore with Michael Feldman; and

northwest corner of Webster and Eddy Streets in the Western Addition A-2 with Fillmore Market Place Associates; and

southeast corner of Post and Gough Streets in the Western Addition A-1 with Ou Interest; and

Central Blocks 1 and 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

There is an additional Closed Session which arose subsequent to the posting of the agenda on Friday, July 13, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a

two-thirds vote of the Commission members is required to add this item.

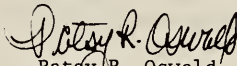
MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 13, 1990.

This item is pursuant to Government Code Section 54957 to discuss personnel matters.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 4:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 14, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF JULY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 24th day of July, 1990, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen

and the following were absent:

Leroy King, President
Paul Wartelle

The Acting President declared that a quorum was present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Ken Donnelly, Conard House; Ace Washington, WAPAC; Willie H. Bergans, Bayview Information and Resource; Essie Collins; Catherine Sneed Marcum, San Francisco Sheriff's Office; Geraldine Johnson; Etienne Lebrand, Urban Economic Development Corporation (UEDC); Bob Davis, Fillmore Center Associates; Howard Wexler, Feldman, Waldman & Kline.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of May 22, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of May 29, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Mr. Helfeld's Mother passed away on July 23. Services will be held in New York and Mr. Helfeld is expected back in the office on July 27.
- (b) Robert Gamble, Deputy Executive Director, Finance, reported that

budget hearings by the Board of Supervisors had taken place on July 23 and will be continued on July 25.

- (c) The Commissioners have been provided with a memorandum dated July 12, 1990 from Mr. Kitahata regarding adding an item to the Regular Agenda entitled "Questions from Commissioners" and staff will be pleased to receive comments from the Commissioners on this suggestion.

David Madway, Agency General Counsel, indicated that there are no adverse implications under Government Code or Brown Act Regulations to preclude such an addition to the agenda.

It was the consensus of the Commission that an item be added to the Regular Agenda under which the Commissioners can make reports and that items be calendared in advance and listed on the agenda when possible.

- (d) With regard to the Agency's new offices at 770 Golden Gate Avenue, negotiations have resulted in an extension of the move which will now be the weekend of September 29/30. Approval of a contract with the low bidder for move coordination services is an item on today's consent agenda.
- (e) The recently concluded negotiations with YBG Associates/Olympia & York increased the Agency's design and construction responsibilities on Central Block 3 (CB-3) in Yerba Buena Center to include: a children's museum; a carousel museum; an ice skating rink; a child care center; a carousel; and an additional 30,000 square feet of open space. The total project cost for these improvements, including all fees and soft costs in escalated 1993 dollars, is estimated to be \$20 million. In order to complete CB-3 as soon as possible after completion of the Agency's CB-2 gardens and cultural facilities and the developer's retail facilities, a four phase development schedule is proposed consisting of: Project Mobilization and Architect Selection, July - September 1990; Programming and Master Planning, September - November 1990; Design, November 1990 - January 1992; and Bidding and Construction, January 1991 - August 1993. The Commissioners have been provided with a summary of the activities anticipated for each phase of the work, and interested community groups and appropriate government organizations will be invited to participate in the process. Coordination with the Chief Administrative Officer will be especially important, since the facilities are to be located above the existing Moscone Center. Staff plans to initiate the process this week by issuing a Request for Qualifications (RFQ) for a Bay Area architectural firm.

At Ms. Tsen's request, Helen Sause, Project Director, Yerba Buena Center, indicated the Commission would be provided with information on M. Paul Friedberg and the process used which resulted in his selection as the landscape architect for the CB-3 garden. A summary of the firm's qualifications and experience will also be provided.

Ms. Tsen noted she would be reluctant to approve the process for CB-3 until it has been reviewed by the CB-3 Policy Committee headed by Brad Paul. Ms. Sause indicated that this Committee meeting would be arranged before a Request for Qualifications is issued for architectural services.

Acting President Bagot indicated that in response to a request from Urban Economic Development Corporation, item (c) on the Regular Agenda would now be considered.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Suttle introduced item (c), which requests authorization of a Personal Services Contract with Urban Economic Development Corporation (UEDC) in an amount not to exceed \$210,000 to provide Business Development and Technical Assistance in connection with All Redevelopment Project Areas. In December 1987 an initial contract was authorized for UEDC to provide business and technical services to assist local minority businesses, business certificate holders and others interested in establishing enterprises in the Fillmore Center developments in the Western Addition A-2. Subsequent amendments and a new contract have increased the amount payable and expanded the scope of services to include assistance to existing businesses on Fillmore Street and those wishing to establish businesses in the Western Addition A-1 and India Basin Industrial Park areas. Details of the proposed 1990-1991 work program, which is consistent with the Agency's goals, and expanded scope of services have been provided to Commission. Staff believes the continued services of UEDC are necessary to help meet the needs of small business development and the diverse tenant mix in the Agency's project areas, containing over 100,000 square feet of retail commercial space which has the potential to support small business. The term of the contract would be retroactive to July 1, 1990 and extend through June 30, 1991. Funding is subject to approval by the Board of Supervisors of the Agency's 1990-1991 budget.

The following persons spoke regarding item (c): Geraldine Johnson; Essie Collins; Ace Washington, WAPAC; Etienne Lebrand, UEDC; and Bob Davis, Fillmore Center Associates.

After an extensive discussion between the Commissioners, staff and Ms. Lebrand, it was the consensus of the Commission that the contract be approved subject to the following amendments to the resolution: the establishment of annual goals, objectives and performance measurements; establishment of a long-term financing program towards self-sufficiency; and satisfactory submission of oral and written quarterly reports by UEDC to the Commission.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-90, AS AMENDED, BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Personal Services Contract with Jackson Associates in an amount not to exceed \$7,050 plus a ten percent contingency to perform Move Coordination Services in connection with the Agency's new offices located at 770 Golden Gate Avenue, San Francisco.
- (b) Authorizing an Expenditure of Funds not to exceed \$6,000 for Management Training Services in connection with a Performance Evaluation System.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 184-90 AND 185-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (d) Mr. Suttle introduced item (d), which requests authorization of an additional expenditure of funds in an amount of \$75,000 in the form of a loan to Conard House, for a total funding of \$967,000, for rehabilitation of the Washburn Hotel Transitional Housing Project located at 38 Washburn Street between Mission and Howard Streets as part of the City-wide Tax Increment Program. In April 1989 a loan of \$892,000 was approved for this project which is a 24-unit single-room occupancy hotel for the mentally ill. In September 1989 an expenditure of \$75,000 of the loan was authorized for tenant relocation benefits and all tenants have now been satisfactorily located. Construction bids for the project have been received and rehabilitation is expected to commence shortly. However, the cost of such work exceeds the current budget due to the time delays, relocation costs and additional work not estimated at the project's inception and Conard House has requested additional funds in an amount of \$133,340 to meet a shortfall of approximately \$140,000. Staff recommends the Agency provide \$75,000, which would restore the amount of rehabilitation funds that were spent for relocation and that the sponsor be responsible for raising other funds or modifying the scope of work. The source of funds for this additional expenditure will be from interest earnings on the funds in the City-wide Housing Program and made available in the form of a deferred loan with all interest and principal deferred as long as the property is used for homeless and mentally disabled persons.

Ken Donnelly, Conard House, requested this item be continued to the meeting of July 31, 1990.

Ms. Tsen noted her concern that at the time of the original loan, assurances were made that the figures were realistic and the project could be accomplished with those resources.

RULE OF THE CHAIR: ACTING PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (d), RESOLUTION NO.

187-90, WOULD BE CONTINUED TO THE MEETING OF JULY 31, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Mr. Suttle introduced item (e), which requests authorization to request the Board of Supervisors to designate a Survey Area for the area southerly of Williams Avenue, easterly of Phelps Street, westerly of Newhall Street and northerly of Lots 4, 4A, 7 and 8 in Assessor's Block 5423A in San Francisco. Since the closure of a Safeway store on Williams Avenue several years ago, the site has been vacant, contributing to the under-utilization of land and urban blight. The Bayview community has requested that a supermarket be developed in their area and there have been ongoing negotiations for the Agency's acquisition of the property in order to preserve this currently blighted site for a supermarket. It is therefore appropriate to designate the property as a Survey Area and begin the redevelopment process as an alternative development option to permit the site to be developed for community safety and community commercial services. In May 1989 approximately one third of the site was sold to the City for the location of the new Potrero Police Station and it is proposed to include that parcel as well as an adjacent abandoned South Pacific spur track parcel in the recommended Survey Area to provide greater flexibility for parking or other uses.

The following persons spoke regarding item (e): Howard Wexler, representing the owner of the property; and Catherine Sneed Marcum, San Francisco Sheriff's Office.

Mr. Wexler indicated that although the owner is willing to continue negotiations for sale of the property, it is requested the Agency not proceed with the redevelopment process because it is too time consuming.

Ms. Marcum requested assistance in securing a parcel in Hunters Point owned by South Pacific for use as a market garden which would provide employment for former prisoners and low income residents.

Following discussion, the Commissioners instructed staff to discuss the proposal with Ms. Marcum.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-90 BE ADOPTED.

Acting President Bagot announced that the Closed Session listed on the agenda relating to real property negotiations with Fillmore Market Place Associates and a Closed Session on Personnel would not be held.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, July 20, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

Minutes of a Regular Meeting, July 24, 1990

The Commissioners noted their concern at additional closed sessions being added without prior notice and requested staff notify the Commissioners in advance by fax or telephone.

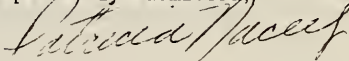
MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 20, 1990.

The item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location and entity the Agency may negotiate with is Central Blocks 1, 2 and 3 and East Block 2 in Yerba Buena Center with YBG Associates.

ADJOURNMENT

It was moved by Ms. Bolanso, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Patricia Nacey
Acting Agency Secretary

APPROVED: August 14, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF JULY, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of July, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia S. Bolanos
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following was absent:

None

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Joe Cronin, Ken Donnelly, Conard House; Cliff Berg, Department of Mental Health; Mary Ann Dillon, Mission Housing Development Corporation; Roberto E. Barragan, Juan Pifaffe, Carlos Quiroz, Mission Economic Development Association; Dino Di Donato, David Bracker, Rich Sorro, Mission Hiring Hall; Manuel Rosales, Anne Marie Cervantes, Robert Sanchez, Manny Rosales, San Francisco Hispanic Chamber of Commerce; Elise Kazanjian, 6th Street Merchants; Sal Sequia, South of Market Employment Center; Vicy Mead; Scott Miller, Mark Tipton, Auditors Office, CCSF; Kathy Lindholm, Carneghi-Bautovich & Partners, Inc; Katherine Nash, WANA/Rainbow; Lawrence Mansbach, Mansbach Associates, Inc; Wayne Osaki, Nihonmachi Parking Corporation; Francisco Perez; and Jose Medina, Institute Laboral.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There is a need to add an additional Closed Session item which arose subsequent to posting of the agenda on Friday, July 27, 1990.
- (b) The Agency's budget was approved by the Board of Supervisors on July 25. There will be a meeting at the Mayor's office at noon on August 1 to discuss the implications the State budget will have on the City.

- (c) At the request of the Commission, a new item has been added to the Regular Agenda format entitled "Commissioners' Questions and Matters".
- (d) There will be a meeting at 2:30 p.m., August 1, with Deputy Mayor Brad Paul on issues and concerns regarding the design and development program for Central Block 3 in Yerba Buena Gardens.
- (e) A report will be made by the Economic Development Sub-Committee as the last item on today's agenda.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Commissioner Kitahata requested an analysis from staff on a letter dated July 24, 1990 from the Delancey Street Foundation regarding the omission of the Agency as a financial contributor on the invitation to Delancey Street's grand opening.
- (b) In response to an inquiry from Ms. Bolanos, Mr. Helfeld indicated that a letter has been prepared to Supervisor Gonzales providing him with information on the Agency's housing program and the Commissioners will be provided with a copy of that letter.
- (c) Mr. Bagot noted that the most recent Agency newsletter is very good and requested it be sent to the Board of Supervisors, their Aides, Mayor's Staff, City Departments and the Community.
- (d) Mr. Bagot requested that Mr. Gamble, Deputy Executive Director, Finance, check with the Mayor's Office on the status of the Real Estate Transfer Tax and report back to the Commission.
- (e) Mr. Bagot requested staff obtain a copy of the City Planning Commission's nineteen-point criticism of the Mission Bay development.
- (f) Mr. Bagot inquired about the letter from the Landmarks Preservation Advisory Board of July 20, 1990, regarding a possible conflict of interest when a developer and member of the Citizens Advisory Committee for Rincon Point-South Beach voted on his own project.

Mr. Helfeld indicated that staff has responded and noted that the developer's vote had no impact on the outcome.

David Madway, Agency General Counsel, noted that conflict of interest rules that apply to public officials do not apply to Citizens Advisory Committee members.

- (g) In response to an inquiry from Mr. Bagot regarding a letter from the South of Market Problem Solving Council requesting a bowling alley on Central Block 3 in Yerba Buena Gardens, Mr. Helfeld indicated this matter will be taken up by the CB-3 Policy Committee.

- (h) Mr. Wartelle requested staff to prepare a contingency plan regarding those developments that are not accepting Section 8 applicants.
- (i) In response to an inquiry from Mr. Kitahata, Gene Suttle, Senior Deputy Executive Director, indicated that there will be a workshop August 7, 1990 to present recommendations of the Staff Developer Selection Committee and selection of a developer for the parcel located at Fourth and Harrison Street in Yerba Buena Center.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an expenditure of additional funds in an amount of \$75,000 in the form of a loan to Conard House, for a total funding of \$967,000, for rehabilitation of the Washburn Hotel Transitional Housing Project located at 38 Washburn Street between Mission and Howard Streets as part of the City-wide Tax Increment Program. In April 1989 a loan of \$892,000 was approved for this project which is a 24-unit single-room occupancy hotel for the mentally ill. In September 1989 an expenditure of \$75,000 was authorized for tenant relocation benefits and all tenants have now been satisfactorily relocated. Construction bids for the project have been received and rehabilitation is expected to commence shortly. However, the cost of such work exceeds the current budget due to the time delays, relocation costs and additional work not estimated at the project's inception and Conard House has requested additional funds in an amount of \$133,340 to meet a shortfall of approximately \$140,000. Staff recommends the Agency provide \$75,000, which would restore the amount of rehabilitation funds that were spent for relocation and that the sponsor be responsible for raising other funds or modifying the scope of work. The source of funds for this additional expenditure will be from interest earnings on the funds in the City-wide Housing Program and made available in the form of a deferred loan with all interest and principal deferred as long as the property is used for homeless and mentally disabled persons. The recommended amount of \$75,000 has been approved by the Tax Increment Housing Program Loan Committee and any increase in funding by the Agency for the project would also require approval by the Loan Committee.

The following persons spoke regarding item (a): Joe Cronin, Conard House; Cliff Berg, Department of Mental Health; and Mary Ann Dillon, Mission Housing Development Corporation.

Mr. Cronin referred to a letter from Conard House dated July 26, 1990, giving a brief history of the development of the Washburn Hotel project, some of which occurred prior to the City asking Conard House to assume ownership and operation of the facility. An amount of \$163,000 is now being requested and a breakdown of costs is contained in the subject letter.

A discussion ensued between the Commissioners and staff regarding ways to reduce costs and the possibility of funding being obtained

from other sources, following which it was decided to continue the matter for one week for staff to hold further discussions with the developer and for review of the request for additional funding by the Tax Increment Housing Program Loan Committee.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), UNFINISHED BUSINESS, RESOLUTION NO. 187-90, WOULD BE CONTINUED TO THE MEETING OF AUGUST 7, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

President King indicated that item (k) would be taken up before the remainder of the agenda.

- (k) Mr. Helfeld introduced item (k), which commends Frank T. Cannizzaro for his outstanding achievements and dedicated services to the Agency upon the occasion of his retirement on August 1, 1990. Subsequent to joining the Agency's Engineering Division in February 1969, Mr. Cannizzaro has held the positions of Chief of Engineering and Project Director for the \$900 million Rincon Point-South Beach Project Area. In the former position he applied his technical skills to the development of the Western Addition A-2, Hunters Point and India Basin Industrial Park project areas. As Project Director for Rincon Point-South Beach, Mr. Cannizzaro displayed strong leadership and a determination to make the project a success. He was instrumental in developing a housing program which will ultimately provide more than 2,500 residential units, which includes over 800 units of affordable housing, and construction of the South Beach Harbor. Mr. Cannizzaro will be missed and this opportunity is taken to wish him the best of health, happiness and continued success in his future endeavors.

President King expressed appreciation to Mr. Cannizzaro for his service to the Agency and the City of San Francisco.

Mr. Cannizzaro indicated it had been a pleasure to work for so many years with such competent, dedicated and loyal staff and thanked the Commission for the commendation.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-90 BE ADOPTED.

Mr. Helfeld left the meeting at this time, 5:20 p.m.

- (a) Gene Suttle, Senior Deputy Executive Director, introduced item (a), which requests authorization to rescind or amend Resolution Numbers 172-90 and 173-90, both adopted July 10, 1990, relating to the establishment, levy of a special tax and bonded indebtedness of proposed Community Facilities District No. 2, Yerba Buena Gardens; Yerba Buena Center.
- (b) Gene Suttle, Senior Deputy Executive Director, introduced item (b), which requests adoption of a Resolution of intention of the

Redevelopment Agency of the City and County of San Francisco to establish a Community Facilities District and to authorize the levy of a special tax pursuant to the Mello Roos Community Facilities Act of 1982; Yerba Buena Center.

- (c) Gene Suttle, Senior Deputy Executive Director, introduced item (c), which requests adoption of a Resolution of intention to incur bonded indebtedness of the proposed Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 2, Yerba Buena Gardens, pursuant to the Mello-Roos Community Facilities Act of 1982; Yerba Buena Center.

All items relate to financing of public facilities in the Yerba Buena Gardens of Yerba Buena Center and provide for financing of the land price of the Central Block 1 office parcel plus thirty percent as agreed upon in the Memorandum of Understanding (MOU) with YBG Associates/Olympia & York by the means of creation of a Mello Roos District around the CB-1 office parcel, the setting of a tax rate on that district and the issuance of up to \$75 million of Mello Roos bonds. Subsequent to a series of actions providing for issuance of both revenue bonds and Mello Roos bonds based on the sale of the Central Block 1 office parcel which would yield total proceeds of \$48.2 million, a new less time consuming structure is now proposed. The alternative structure uses a single Mello Roos bond issue to create the entire net proceeds amount specified in the MOU and will require credit support which could be in the form of a letter of credit, with an approximate term of seven years, to back up the transaction until development of the parcel has commenced. Although this new structure is less time consuming, it cannot be completed by August 17 as mandated in the MOU, necessitating an extension which will be discussed in Executive Session.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-90 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-90 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-90 BE ADOPTED.

Mr. Helfeld returned to the meeting at this time, 5:27 p.m.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Personal Services Contract for the period August 1, 1990 through July 31, 1991, in an amount not to exceed \$100,000, with Mission Economic Development Association (MEDA) to provide business and technical assistance to business owners in the South of Market Earthquake Recovery Redevelopment Project Area. MEDA, a non-profit, has provided business and technical assistance to small and minority owned businesses since 1974. They are familiar with the problems faced by businesses attempting to recover from the earthquake and staff believes their services will be extremely

beneficial in this newly created redevelopment project area. The Commissioners have been provided with details of the services in the proposed work plan which include: revitalization of the 6th Street commercial corridor; provision of financial and technical assistance to small, women and minority owned businesses; attracting and retaining businesses that provide important employment opportunities, tax revenues and local services; targetting job opportunities that arise within existing enterprises to those in need of work and those displaced by the October 17, 1989 earthquake; and working with individual enterprises on processing applications for permits, finding locations and financing. Funds are available from the 1990-1991 Fiscal Year Economic Development Budget.

The following persons spoke in support of item (d): Roberto E. Barragan, Mission Economic Development Association; Dino Di Donato, South of Market Solving Problem Solving Council; Manuel Rosales, San Francisco Hispanic Chamber of Commerce; Juan Pifarre; and Francisco Perez.

Mr. Barragan and Mr. Di Donato responded to questions from the Commissioners regarding the scope of services to be provided and financing mechanisms they plan to use.

Mr. Bagot requested Mr. Barragan to report to the Commission on the Sixth Street Merchants survey when it is completed.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Personal Services Contract, in an amount not to exceed \$220,000, effective August 1, 1990 through July 31, 1991, with the South of Market Employment Center (SMEC) to establish an Employment Center known as JOBS/SF to provide Personnel and Human Resources Services in the South of Market Area, Yerba Buena Center and other Redevelopment Project Areas. Since August 1989, Westbay Filipino Multi-Services has operated an employment center for South of Market residents as part of the Marriott Hotel hiring process. After funds from a \$26,000 grant by Marriott to operate the Center were expended, the Agency provided a total of \$20,000 to continue the employment referral services until July 31, 1990. The Mission Hiring Hall, in conjunction with the South of Market Business Association (SOMBA), is seeking to establish this employment center through private and government funding with the primary goal of creating an employment center capable of becoming self-supporting at the end of a three year period through fees and contracts for services. With the anticipated construction activities in Yerba Buena Center and other redevelopment areas, resources for permanent employment in the area support the need for this contract to assist developers achieve the residents hiring goals. In addition to meeting the Agency's Economic Development Mission to provide jobs for unemployed and low income

residents, SMEC's proposed work plan to ultimately become self-sufficient is consistent with the Agency's goals and objectives. Funds would be allocated from resources that were budgeted in Fiscal Year 1990-1991 for this purpose.

The following persons spoke in support of item (e): Rich Sorro, Mission Hiring Hall; Dino Di Donato, South of Market Problem Solving Council; Lefty Gordon, Ella Hill Hutch Community Center; and Alvin Norman, Young Community Developers.

Mr. Di Donato and Mr. Sorro responded to questions from the Commissioners regarding services to be provided and they indicated it is intended to continue seeking funds from other sources.

At this time, President King turned the chair over to Mr. Bagot, 6:25 p.m.

Mr. Bagot requested a report back from SMEC on their progress.

Ms. Tsen indicated she was pleased to see other groups supporting this item because it is important they share information and opportunities.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Fifth Amendment, which increases the amount payable by \$5,000, to the Agreement for Professional Services with Barton-Aschman Associates, Inc. in connection with Yerba Buena Center. Subsequent to the original agreement entered into in February 1982 for preparation of the Transport Management Plan for YBC, the contract has been amended on several occasions to provide services related to the Moscone Convention Center expansion and new program uses proposed by YBG Associates/Olympia & York for the Yerba Buena Gardens Development Program. The amendment will provide for the continuing services of this firm to assess the adequacy of existing and proposed parking resources to service the Gardens development as well as Convention Center and other uses within the project area. It increases the amount payable by \$5,000 for a total contract amount of \$59,200. The firm's affirmative action program was reviewed in January 1990 and is considered satisfactory.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a First Amendment to the Construction Management Contract with Turner Construction Company in connection with Yerba Buena Center. A contract, authorized in June 1988, called for the preconstruction phase of Central Block 2 and Central Block 3 facilities in Yerba Buena Gardens to be completed by June 30, 1990. However, the unanticipated extended design schedule,

preparation of the bid and contract documents have precluded completion of all activities under the original scope of work and there are a number of outstanding items. Since bids for the Theater are scheduled to be issued in October 1990, the bidding phase, which was originally to be part of the construction phase contract, is added to that contract as additional services and compensation for these services will be transferred from the approved budget allocated to the construction phase contract. The amendment will extend the contract term from June 30, 1990 to April 30, 1991; increase the amount payable by \$300,000 for a total contract amount of \$895,000; and adds activities related to the bidding phase to the scope of services. The firm's affirmative action program is considered acceptable and details have been provided to the Commission.

Acting President Bagot indicated that while Ms. Tsen read a staff memorandum containing supplemental information on item (g), items (h) and (i) would be taken up.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Personal Services Contract in an amount of \$30,000 with Mansbach Associates, Inc.
- (i) Mr. Helfeld introduced item (i), which requests authorization of a Seventh Amendment, which increases the contract amount by \$25,000 and makes certain other changes, to the Personal Services Contract with Carneghi-Bautovich & Partners, Inc., which increases total contract amount to \$268,000.

The Agency has a continuing need for reuse appraisals, real estate consulting services and complex appraisal assignments, which frequently need an immediate response and require the services of highly qualified and experienced appraisal firms. The services of Lawrence Mansbach, a sole proprietor with experience as an appraiser and real estate consultant, and the continuing services of Carneghi-Bautovich are required for such assignments, particularly in Yerba Buena Center. Details of the Carneghi-Bautovich firm's affirmative action program have been provided to the Commission.

Mr. Wartelle noted a possible conflict of interest because he has clients in the Hunters Point Shipyard which may be an area covered by these items and he would abstain from discussing or voting on these items.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND CARRIED, WITH MR. WARTELE ABSTAINING, THAT RESOLUTION NO. 196-90 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND CARRIED, WITH MR. WARTELE ABSTAINING, THAT RESOLUTION NO. 197-90 BE ADOPTED.

Ms. Tsen indicated that she was willing to move item (g), however, she urged that costs be kept within the budget.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 195-90, BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of a First Amendatory Agreement, which revises the performance schedule, to the Addendum to the Agreement with the Nihonmachi Community Development Corporation (NCDC) for the development of a parcel located within the block bounded by the Buchanan Mall and Sutter, Laguna and Post Streets in the Western Addition A-2. The subject parcel was allocated by NCDC to the Nihonmachi Parking Corporation (NPC) to construct parking facilities following completion of development of the entire block which has now been accomplished and, although construction could have started in late 1985, NPC was still reluctant to proceed because a first lot built on another nearby block was not a financial success. In addition, during this period the Japanese Cultural Trade Center (JCTC) had a substantial number of unused parking spaces, however, the installation of the AMC Theaters and other commercial uses in JCTC has eliminated that excess capacity and NPC are prepared to proceed. The revised performance schedule calls for: submission of evidence of financing by December 19, 1990; conveyance of the site by January 22, 1991; commencement and completion of construction by February 20, 1991 and February 19, 1992 respectively. New affirmative action language is being prepared and when finalized an amendment incorporating such language will be brought forward for consideration by the Commission.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-90 BE ADOPTED.

REPORT OF THE ECONOMIC DEVELOPMENT SUB-COMMITTEE

Ms. Bolanos summarized the accomplishments of the Committee in establishing an economic development policy and strategies and stressed the main issue is parity. She indicated that an economic development policy will be before the Commission for consideration in the near future, prior to which a workshop will be held.

A discussion ensued regarding the direction and achievements the Commission wants to accomplish in its economic development endeavors.

Ms. Bolanos requested an update on Enterprise Zones and that Mr. James Ho of the Mayor's Office of Economic Development be invited to make a presentation.

Alvin Norman, Young Community Developers, indicated that the Economic Development Report was very positive as it applies to San Francisco, but some negatives as it applies to Bayview/Hunters Point. This Commission needs a history on the Bayview/Hunters Point area to see

what the old direction was, what was supposed to happen and did not, the old promises.

Acting President Bagot announced that there will be six Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Blocks 1 and 2 in the Yerba Buena Center with Marriott; and northwest corner of Webster and Eddy Streets in the Western Addition A-2 with Fillmore Market Place Associates; and

southeasterly corner of Phelps Street and Williams Avenue in South Bayshore with Michael Feldman; and

negotiations with Natvarabhai N. Pattel, et al concerning the Anglo Hotel located at the southeast corner of Sixth and Tehama Streets; and

Site K in Rincon Point-South Beach with BRIDGE.

There will also be a Closed Session on Personnel.

There is an additional Closed Session item which arose subsequent to posting of the agenda on Friday, July 27, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission is required to add this item.

MOTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JULY 27, 1990.

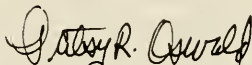
The item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Ellis and Fillmore Streets in the Western Addition A-2. The entity the Agency may negotiate with is Western Commercial Partnership II.

ADJOURNMENT

It was moved by Mr. Kitahata, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to seven Closed Sessions on Real Property Negotiations and a Closed Session Personnel. The meeting adjourned at 7:45 p.m.

Minutes of a Regular Meeting, July 31, 1990

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Agency Secretary

APPROVED: August 14, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF AUGUST, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of August, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Gary Kitahata
Haig. G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following were absent:

Buck Bagot, Vice President (Arrived 4:35 p.m.)
Sonia Bolanos

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Don Turner, BRIDGE Housing Corporation; John Elberling, TODCO; and Jane Herzog.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) There will be a request to add a Closed Session item at the end of the meeting.
- (b) The Agency meeting of August 28, 1990 will be held at the Southeast Community Center, 1800 Oakdale Avenue. There will also be an opportunity to view some of the homes for sale in Hunters Point.
- (c) The Commissioners have been provided with a letter from the Golden Gateway Center making a formal application to construct condominium units within the Embarcadero-Lower Market Redevelopment Project Area. They are scheduled to make a public presentation at the Agency meeting of August 14, 1990, following which it is suggested the Commission instruct staff to undertake an analysis of the request.
- (d) The Commissioners have been provided with an informational staff memorandum dated August 6, 1990 reporting on proposals submitted in response to a Request for Proposals (RFP) for the development of a parcel located at Fourth and Harrison Streets in Yerba Buena

Center, which will be the subject of a workshop at the Agency meeting of August 14, 1990.

- (e) The Economic Development Sub-Committee has provided the Commission with a Policy Statement which will be the subject of a public discussion in the near future with a view to ultimately adopting the policy.

Mr. Wartelle requested that before the Golden Gateway Center makes a public presentation, staff review the agreement to determine whether there is anything that would legally prevent the requested land use change.

David Madway, Agency General Counsel, indicated he would review the documents prior to the August 14 meeting.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a \$75,000 loan to Conard House for the rehabilitation of 38 Washburn Street, as part of the City-wide Tax Increment Program. It is recommended this item be continued to the meeting of August 14, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 187-90, WOULD BE CONTINUED TO THE MEETING OF AUGUST 14, 1990 AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Third Amendment to the Personal Services Contract with Shapiro, Okino, Hom & Associates, which increases the amount payable by \$75,000 for a total contract amount of \$140,000, for structural and related engineering services in connection with all Redevelopment Project Areas. This action provides services for a thorough survey of buildings within the South of Market Redevelopment Project and provides an estimate of the cost to repair damage caused by the October 17, 1989 earthquake. This firm has an extensive knowledge of the application of building codes and has satisfactorily resolved a wide variety of structural engineering problems for the Agency as well as evaluating Agency property damaged by the earthquake. In addition, the City has utilized their services to inspect a large number of public and private structures. Details of the firm's affirmative program, which is considered acceptable, have been provided to the Commission.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to issue a Request for Proposals to develop and analyze market data

and prepare a Commercial Revitalization Plan for the Third Street corridor in the South Bayshore. In February 1989, the Department of City Planning issued the South Bayshore Plan which sets forth objectives, policies and implementation actions. The Agency has allocated \$3 million for economic development activities in Hunters Point/South Bayshore, a portion of which may be used to implement aspects of the Plan. Last year proposals from consultants to identify economic development strategies in the South Bayshore were received, however, selection of a consultant was deferred. Agency and City Planning staff have discussed implementation of the Plan with community groups and others and concluded that to develop a feasible commercial plan for Third Street, a market study needs to be undertaken to: analyze existing residential and commercial conditions; projected land and business needs; and recommend a commercial land use revitalization plan oriented towards expanding economic opportunities, principally for low income residents, and identify strategies to preserve and enhance the existing cultural diversity in the area.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to issue a Request for Proposals to assess community credit needs, evaluate bank lending and deposit patterns, and identify alternative financing mechanisms. Most major cities have conducted Community Reinvestment Act (CRA) studies and recent expansion and increased enforcement of requirements under the Act provide incentive for financial institutions to engage in lending for affordable housing and economic development. The proposed study will include an assessment of credit needs for small business, economic development and affordable housing, particularly in low and moderate-income neighborhoods and in redevelopment areas. It will include an analysis of lending patterns in San Francisco which will assist the Agency in developing strategies to attract outside capital to areas of underinvestment and housing efforts as well as develop financing programs that meet community credit needs and leverage Agency resources. September 4 will be the deadline for submission of proposals and a consultant should be selected by September 25, 1990.

Mr. Kitahata requested that a requirement be added to the RFP for the consultant to do a specific case study of at least one financial institution. It was the consensus of the Commission that the RFP be amended to include this requirement.

It was the consensus of the Commission that the RFP be amended to include this requirement.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, to travel to Minneapolis, Minnesota, October 7-10, 1990, to participate in the Annual National Conference and Exhibition of the National Association of Housing and Redevelopment Officials (NAHRO) at a cost not to exceed \$1,600. The Agency continues to derive benefits from this national professional association which through its National Committee on Housing and Community Revitalization and its professional staff, brings the expertise, experience and knowledge of its individual agency members to bear on the national decision making process in the areas of policy, legislation, regulation and funding. Ms. Sause is immediate past President of NAHRO and currently serves as Chair of the International Committee and is a member of the Community Revitalization and Development Committee. In this capacity it is necessary for her to attend Committee and Board of Governors meetings and to conduct the International Committee meetings. There will be an opportunity to attend a number of sessions pertinent to carrying out the Agency's program. Authorization of this travel is subject to approval by the Mayor.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-90 BE ADOPTED.

Mr. Bagot arrived at this time, 4:35 p.m.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
AGENCY RELATED MATTERS

- (a) John Elberling, TODCO, requested funding for a refundable deposit, carrying costs and other predevelopment costs toward the purchase of the site of the former Anglo Hotel at 241 Sixth Street.

Mr. Helfeld indicated this matter will be discussed today at a Closed Session meeting.

- (b) Don Turner, BRIDGE Housing Corporation, indicated that within the last two weeks there have been four armed robberies of homeowners at the Morgan Heights project. He noted his concern about the viability of the whole project since two of the homes are already up for sale because of the severity of the problems. The City has provided \$150,000 for security services which is being used to retain a security patrol service from 8 a.m. to 6 p.m. daily. Consideration is being given to using the money over a shorter period of time and intensifying the security. He requested the Agency be represented at a meeting of the homeowners, 7:00 p.m., August 7, and Mr. Helfeld indicated the Wilbert Battle, Community Liaison Officer, would attend.

Mr. Bagot requested staff investigate funding sources to assist community organizers to implement stronger security measures.

- (c) Ace Washington, WAPAC, spoke regarding the Western Addition A-2

and requested an opportunity for WAPAC's Board of Directors to appear before the Commission.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot suggested that Mr. Helfeld request that the Mayor write a letter to Senator Cranston to support the preservation of Section 8 units in the City and to assign staff to work on this item.

David Madway, Agency General Counsel, indicated that he drafted a letter for Deputy Mayor Brad Paul's signature regarding this item.

President King announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Blocks 1 and 2 in the Yerba Buena Center with Marriott.

There will also be a Closed Session on Personnel.

There is an additional Closed Session item which arose subsequent to the posting of the agenda on Friday, August 3, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a two-thirds vote of the Commission members is required to add this item.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON AUGUST 3, 1990.

The item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property location and entity the Agency may negotiate with is the Anglo Hotel located at the southeast corner of Sixth and Tehama Streets in the South of Market with Natvarabhai N. Pattel.

President King indicated that the meeting would be recessed to the Fourth Floor Conference Room for item (e). The meeting recessed at 5:05 p.m. and reconvened at 5:12 p.m. with the same roll call.

- (e) Mr. Helfeld introduced item (e), which is a workshop to discuss Design, Housing Affordability and proposed Option to Sub-lease Site K in Rincon Point-South Beach to BRIDGE Housing Corporation. In accordance with exclusive negotiations authorized in September 1989, BRIDGE proposes to construct 108 affordable residential units at a total development cost of \$12.8 million. 33 percent of the units will be targeted for rents at levels affordable to households at 50 percent of median income with the remaining units to be targeted to those at 60 percent of median income. Adequate

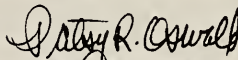
parking facilities will be provided and approximately 3,000 square feet of commercial space is planned for neighborhood service uses at ground level. Within the next month BRIDGE will be submitting financing applications to the California Tax Credit Allocation Committee and the State Rental Housing Construction Program. In order to be competitive during the application review process, site control must be demonstrated by August 28, 1990, and BRIDGE therefore has requested an option to sublease the site which is owned by the Port of San Francisco. Beginning June 30, 1984, the Agency has had an option to lease the site from the Port for a period of 66 years and intends to sublease the parcel to BRIDGE upon exercising the lease agreement with the Port. BRIDGE will then enter into a Development Sublease Agreement with the Agency with a minimum rent of \$74,265 per annum, escalated every 5 years, to be paid to the Port. BRIDGE will create a new limited partnership specifically for this project with Delancey Street Foundation as a co-general partner. Delancey Street has a good relationship with the community and from their experience in developing Site J in Rincon Point-South Beach they will bring additional construction and expertise to the project. It is anticipated Westbay Filipino Multi-Service Corporation will assist in affirmative action monitoring. In addition to providing construction monitoring services, this non-profit community service agency coordinates job referral and placement services for individuals who live in the South of Market area. In the event BRIDGE is unable to secure the funding sources projected in their financing plan, Agency financial assistance may be required or the number of affordable units would have to be adjusted.

Ben Govin and Howard Bakken described the design elements of the development and responded to questions from the Commissioners.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 28, 1990

SF
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8/14/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF AUGUST, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of August, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia Bolanos
V. Fei Tsen
Paul Wartelle

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and the following were absent:

Gary Kitahata (Arrived 4:30 p.m.)
Haig G. Mardikian

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Joe Cronin, Frank Wuefel and Ken Donnelly, Conard House; Killian J. Byrne, General Manager, Golden Gateway Center; Rodney Friedman; Lamar Johnson, President, Golden Gateway Tenants Association; Nan McGuire, San Francisco Tomorrow; Glen Ray; Sharm Strand; Eula Walters; Darrell Igashi, Chinese Community Housing Corporation; Alan Skelton, Manager, Golden Gateway Center Health and Tennis Club; Sylvia D. Bryant; Esther "b" Woeste; Lorita D. Aarons; Ann Draper; John Lu; Harold Moore; Sue Hestor; Robert L. Rumsey, Walnut Cree; Jon E. McMahon; Frank T. Nanai; Lorinda Clemens; Dr. Mailine Chew; Richard Schulist; Dave Burnett; Julie Myers; Bob Hanley; Gary Bottone; Laird Durham; Glenn Ray; Stanley H. Judd; Theodore Alves; Don Howard; Jane Hardy; Joseph Shea; Michael La Due; Dick Allen; Norman P. Swenson; John Trump; Steve Chan; Ruby Calderon; Jim Bronkema; Wendy Goldberg, Baker Places; Don Flynn, Flynn Parc Partners; Rod Chisessi, Vice President, Hopkins Development Company; Rubin Glickman, Harrison-Fourth Street Associates; Robert McCarthy, Victor Gonzales and Zev Ben-Simon, Taldan Investment Company; Arnold Townsend; John Elberling, TODCO; Piero Patri; Nicholas Dempsey; Bob Bliss, Voicepro; David Rubens; Tim McGuire; Ocie Mae Rogers; Joanne W. Halprin; Sheila Kolenc; Carrie G. Ludwig; Rosemary L. Schulz; and Barbara Reed.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of July 10, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of July 17, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of July 24, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of July 31, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Special Meeting of April 26, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) The Regular Agency Meeting of August 28, 1990 will be held at the Southeast Community College. Prior to that meeting there will be a site visit to view homes at Shel-Del Heights, which is the Chambers development, on Carpenter Court off Whitney Young Circle.
- (b) On August 24, there will be a retirement celebration for Frank Cannizzaro at 12 noon at Delancey Street.
- (c) The Commissioners have been provided with a staff memorandum on the status of the crime problem at the Morgan Heights development in Hunters Point.

Mr. Bagot requested the Commission be kept informed of further developments.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos requested an update on Enterprise Zones and inquired regarding the status of the Economic Development Policy. Mr. Helfeld indicated that the Economic Development Policy is being prepared and Deputy Mayor James Ho will make a presentation on Enterprise Zones at an Agency meeting in the near future.

- (b) Mr. Wartelle inquired regarding the status of the Griffin Related Properties project at Third and Mission Streets in relation to a press report on an alleged break-off in negotiations between the developer and Bank of America in renting space. Mr. Helfeld indicated that the Agency and the developer are not aware of a break-off in negotiations and it has been suggested the developer issue a press release. In any event, it has nothing to do with the developer not meeting his long term commitments and the article was inaccurate in the sense it indicated the developer was not intending to proceed.
- (c) Mr. Bagot indicated it would be desirable for the Agency to have the same OAHPP (Office of Affordable Housing Production Program) requirements as the City or better.
- (d) In response to an inquiry from Mr. Bagot, Gene Suttle, Senior Deputy Executive Director, indicated that a letter received from a resident in Diamond Heights, who was objecting to an addition to a nearby residence, has been responded to.

UNFINISHED BUSINESS

- (a) Bill Rumpf, Chief, Housing and Production Management, introduced item (a), which requests authorization of an expenditure of additional funds in an amount of \$105,000 in the form of a loan to Conard House for rehabilitation of the Washburn Hotel located at 38 Washburn Street between Mission and Howard Streets as part of the City-wide Tax Increment Housing Program. Subsequent to approval of a loan of \$892,000 in April 1989 for this project, which is a 24-unit single-room occupancy hotel for the mentally ill, Conard House requested \$140,110 to cover an unanticipated shortfall on the project and then increased its request to \$163,393 to include a development fee which was not included in its earlier budgets. Initially, staff recommended a \$75,000 loan to meet this shortfall; however, action on an additional loan request was postponed to explore alternative funding sources. Although staff determined that the project would be eligible for low-income housing tax credits, the Sponsor does not wish at this time to seek tax credits because of concern at the possible risk of having limited partner investors and they do not have staff available to prepare an application. Staff feels that pursuing tax credits is a preferable approach and will try to assist Conard House in taking that direction. However, the applications for this year's tax credit allocations are due August 31 and to avoid losing the construction bid and incurring further delays, it is proposed to loan Conard House an additional \$105,000 to enable rehabilitation work to proceed, with an opportunity to be repaid in the future by tax credits. This will result in Conard House being responsible for covering costs of \$58,000. This additional amount has been discussed and agreed to by Deputy Mayor Brad Paul and Mr. Helfeld, members of the Tax

Increment Housing Program Loan Committee, and authorization today is subject to formal approval of that Committee.

Joe Cronin, Conard House, requested approval of item (a).

Following discussion, it was the consensus of the Commission that approval of this item is with the understanding that Conard House will make good faith efforts to apply for tax credits next year.

Mr. Kitahata arrived at this time, 4:30 p.m.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-90 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), the purpose of which is for the Golden Gateway Center to make a presentation of their proposed development on the parcel bounded by Jackson, Drumm and Washington Streets; Embarcadero-Lower Market.

President King indicated that this development proposal has generated a lot of controversy. This is the first opportunity for the Commission to see the developer's proposal and staff has just begun looking at the development proposal and is in the process of reviewing it. There will be a series of public discussions regarding this proposal so that the public will have the opportunity to address the Commission on many occasions with their comments and questions about the proposal. In addition, the Agency will provide ample notification to the public for future public discussions on this proposal.

Mr. Wartelle noted that his firm of Schectman, Weaver, Wartelle & McCurdy had at one time represented the Golden Gateway Center Tenants Association, however, since this occurred before his appointment to the Commission, Agency General Counsel is of the opinion that a conflict of interest does not exist.

Killian J. Byrne, General Manager, Golden Gateway Center, made a presentation of the overall development proposal.

Rodney Friedman, Architect for the Project, presented the design concept.

Alan Skelton, Manager, Golden Gateway Center Health and Tennis Club, described the existing and proposed recreational facilities.

The following persons spoke regarding item (a): Darrell Igashi, Chinese Community Housing Corporation; Lamar Johnson, President, Golden Gateway Tenants Association; Nan McGuire,

San Francisco Tomorrow; Glen Ray; Sharm Strand; Eula Walters; Sylvia D. Bryant; Esther "b" Woeste; Lorita D. Aarons; Ann Draper; John Lu; Harold Moore; Sue Hestor; Tom Flowers; Jon E. McMahon; Frank T. Nanai; Lorinda Clemens; Dr. Mailine Chew; Richard Schulist; Dave Burnett; Julie Myers; Bob Hanley; Gary Bottone; Laird Durham; Glen Ray; Stanley H. Judd; Theodore Alves; Don Howard; Jane Hardy; Joseph Shea; Michael La Due; Dick Allen; Norman P. Swenson; John Trump; Steve Chan; Ruby Calderon; and Jim Bronkema.

A number of speakers noted their opposition to this item because of: loss of open space; increased traffic; pedestrian congestion; increased density; shadows; blocked views; and less tennis courts.

A number of speakers noted their support of this item because of: mitigation for low income housing in Chinatown; the need for housing; generation of tax revenues; the benefit to local stores; the addition of a community center; and persons residing in the Golden Gateway Center will have an opportunity to purchase their own homes.

Mr. Byrne responded to questions from the Commissioners regarding the price and size of the units before and after demolition of the Embarcadero freeway and described the benefits to be derived by the public from the project, such as: a landscaped pedestrian walkway to Jackson Street; increased tax revenue for the City; revenue for small businesses in the neighborhood; and a contribution to a non-profit organization for low income housing.

Mr. Bagot requested information on the number of primary residents.

Mr. Wartelle requested information on the number of corporate suites in the Center.

Ms. Tsen requested clarification of the "deal" when the Land Disposition Agreement was authorized.

President King indicated that staff will make an analysis of the proposal.

President King announced there would be a brief recess. The meeting recessed at 6:40 p.m. and reconvened at 6:45 p.m. with the same roll call.

- (b) Mr. Helfeld introduced item (b), which requests authorization to issue a Request for Qualifications (RFQ) for Architectural Services for the Children's and Recreational Facilities and to confirm the selection of M. Paul Friedberg as the Landscape Architect for the Children's Garden, all in connection with Central Block 3 (CB-3) in Yerba Buena Center. The process for carrying out the programming, design and construction of the facilities to be built by the Agency has been prepared by

staff and reviewed by Deputy Mayor Brad Paul. Implementation requires selection of an architect for the CB-3 buildings through an RFQ procedure which is expected to take two months. The selected architect would then undertake testing of the program and master planning the project in conjunction with M. Paul Friedberg and Partners who were selected through a previous RFQ process and whose qualifications have been provided to the Commission and members of the Policy Advisory Committee for further review. Following comments from the Commission and the Policy Advisory Committee, the early stages of the process have been adjusted to provide more time for programming review. The Policy Advisory Committee has agreed to meet weekly during the early stages of the project. Project design would not begin until a final program and master plan have been fully reviewed and approved, which is expected to be mid-December. The schedule would be the final component of the Yerba Buena Gardens to be completed in the Fall of 1993, approximately one year after the scheduled opening date for the CB-2 gardens and cultural buildings.

Sue Hestor requested that Friends of the Gardens continue to have participation in the process for CB-3 uses and the carousel.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Letter of Extension with YBG Associates which extends the conveyance date for the Central Block 1 (CB-1) Office Parcel in Yerba Buena Center from August 17 to September 19, 1990. In accordance with the Memorandum of Understanding between the Agency and YBG Associates for the development of the Central Blocks and East Block 2, both parties have been working diligently on the financing arrangements necessary to convey the site, however, additional time is needed to complete this work. The developer will make an extension payment of \$310,000.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a \$175,000 loan to Baker Places for acquisition and rehabilitation of 484 Oak Street as part of the City-wide Tax Increment Housing Program (TIHP). The Sponsor has an option to purchase this 7-bedroom house which will provide a permanent home for Odyssey House, a program that serves 12 mentally disabled homeless persons. Although no person will be denied housing because of race, the project will be targeted to African-American residents. Total project costs are estimated at \$780,000 and it is anticipated financing will be provided by: \$175,000 from the State; \$175,000 from the TIHP; \$350,000 from HUD; and \$100,000 from Baker Places for project expenses. The Department of Public Health Commission

has approved funding for the services for fiscal year 1990-1991. The loan has been approved by the Tax Increment Loan Committee, subject to: an appraisal showing adequate property value; a contract for services with the Department of Public Health; the HUD commitment; adequate neighborhood notice; and evidence of a replacement reserve account. The TIHP loan will be a deferred interest loan and a substantial interest penalty will be invoked if the owner materially changes the use during the 50-year term of the loan agreement.

Wendy Goldberg, Baker Places, requested approval of item (d).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Supplemental Appropriation, in an amount not to exceed \$28,080 to the Personal Services Contract with Ella Hill Hutch Community Center. This contract has been amended a number of times since its authorization in 1986, the latest occasion being on June 26, 1990 which provided funding of \$224,000, the amount budgeted by the Agency for the Center for the period 1990-1991. At that time, consideration of additional funding was requested in an amount of \$79,795 for a total of \$303,795. In accordance with instructions from the Commission, staff evaluated this request and recommends additional funding of \$28,080 which will fund a new position of Employment Specialist for one year, however, this does not obligate the Agency for future funding of that position.

Lefty Gordon, Ella Hill Hutch Community Center, requested approval of item (e).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-90 BE ADOPTED.

President King announced that there would be a brief recess. The meeting recessed at 6:55 p.m. and reconvened at 7:10 p.m. with the same roll call.

- (f) Gene Suttle, Senior Deputy Executive Director, introduced item (f), which is a workshop to present the recommendation of the Staff Developer Selection Committee and Selection of a Developer for Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. Five proposals were submitted in response to a Request for Proposals (RFP), however, one of the prospective developers subsequently withdrew from the competition. Staff has reviewed and evaluated the remaining four proposals from: Flynn Parc Partners; Harrison-Fourth Street Associates; Hopkins Development Company; and Taldan Investment Company. The RFP provides that the primary development objectives is a supermarket and establishes a minimum land price of \$2.248

million which is the minimum release price pledged to the Fuji Bank in connection with the YBC Project Liquidity Facility Revenue Bonds. Taking into consideration all aspects of each development proposal, the Committee recommends exclusive negotiations be entered into with Taldan Investment Company until November 14, 1990, based upon: financial capacity to undertake the development; the supermarket area is larger than required by the RFP; the proposed development responds to the design guidelines of the RFP; phasing the development to permit opening a supermarket while the housing component is under construction and they can proceed quickly because redesign is not necessary. Taldan is a San Francisco-based full service development company that is familiar with the development process in the City and has in-house capabilities including architectural, construction and property management groups. The Committee believes that the Taldan proposal meets the goals and objectives of the RFP, obtains the highest quality of development and meets the needs of the Yerba Buena Community.

Elena Branick, Senior Architect, described the design concepts of each proposal.

Judy Eng, Development Specialist, noted the selection criteria and the reasons for the Staff Selection Committee recommending Taldan Investment Company for exclusive negotiations.

Don Flynn, Flynn Parc Partners, indicated he wished it to be on record that his company is financially capable of undertaking the project.

Roger Chisessi, Senior Vice President, Hopkins Development Company, summarized the Hopkins development proposal.

Robert McCarthy, Victor Gonzales and Zev Ben-Simon, Taldan Investment Company, indicated they were pleased with staff recommendation.

The following other persons spoke regarding item (f): Arnold Townsend and Piero Patri, Hopkins Development Company; John Elbering, TODCO; and Nicholas Dempsey, Cala Foods.

Rubin Glickman withdrew the proposal by Harrison-Fourth Street Associates.

The Commissioners noted their concerns regarding the housing affordability component and affirmative marketing.

Mr. Bagot requested a status report on the Filipino community's interest in the development and a first source hiring agreement with the supermarket operator.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO.

Minutes of a Regular Meeting, August 14, 1990

208-90, WOULD BE CONTINUED TO THE MEETING OF AUGUST 21, 1990.
THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Bob Bliss, Voicepro, protested the selection of another contractor in connection with Agency's purchase of a new telephone system.

President King indicated that the matter would be taken up with staff.

Ms. Tsen left the meeting at this time, 8:45 p.m.

President King announced that there will be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

southeasterly corner of Phelps Street and Williams Avenue in South Bayshore with Michael Feldman; and

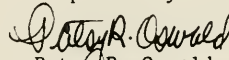
east side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 8:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 13, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF AUGUST, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of August, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Gary Kitahata
Haig G. Mardikian
Paul Wartelle

and the following were absent:

Leroy King, President
Sonia Bolanos (Arrived 4:35 p.m.)
V. Fei Tsen (Arrived 4:12 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Ace Washington, WAPAC; Toye Moses, Executive Director, Young Community Developers (YCD); Stan Smith, San Francisco Building and Trades Council; Sheila Wells; Rich Sorro, Mission Hiring Hall; Rufus Davis, Jr., Bayview/Hunters Point Crime Abatement Committee; Leroy McDonald; John Jay; Lefty Gordon, Ella Hill Hutch Community Center; Raymond Martin, Coordinator, YCD Construction Program; Alvin Norman, President, YCD; Jamie Lockett and Carole McCoy, Progress Seven, Inc; Dr. Rhody McCoy, Future Perfect, Inc; Yvette McCoy, Progress Seven/Future Perfect; Deputy Mayor James Ho and Luis Espinoza, Mayor's Office of Community Development; John Elberling, TODCO; and Shirley Jones, YCD.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) There is a Closed Session that needs to be added to the Agenda regarding threatened litigation.
- (b) The Board of Supervisors passed a resolution authorizing the issuance of \$75,000,000 in bonds per the Mello-Roos

Community Facilities Act to finance public infrastructure improvements in Yerba Buena Center.

Ms. Tsen arrived at this time, 4:12 p.m.

- (c) Gene Suttle, Senior Deputy Executive Director, will be Acting Executive Director during the absence of the Executive Director August 27 through September 4 and September 24 through September 29, 1990.
- (d) The Agency meeting next week will be held at the Southeast Community College, Facility Room, 1800 Oakdale Avenue. Today's meeting will be continued to August 28 at 2:00 p.m. for a site visit to view Shel-Del Heights (Chambers Development) on Carpenter Court off Whitney Young Circle in Hunters Point. The meeting will reconvene at 939 Ellis Street, Garage Entrance, and then move to the site.
- (e) A matter of unfinished business is inadvertently listed as item (j) under new business on today's agenda. This item should be considered as unfinished business.

UNFINISHED BUSINESS

- (j) Mr. Helfeld introduced item (j), which requests authorization of Exclusive Negotiations, until November 21, 1990, with Taldan Investment Company for the development of Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center and rejects the offers to negotiate exclusively of the other prospective developers. A faxed letter has been received from Stephen Hopkins of Hopkins Development Company requesting a postponement of this item due to his inability to attend this meeting. Because of the seriousness of his family situation, it is suggested this item be continued to the meeting of August 28, 1990.

Mr. Kitahata and Mr. Wartelle indicated they would prefer to act on this item today.

Mr. Mardikian indicated that, although a conflict of interest does not exist because there is not a financial interest involved, he does have a business relationship with Taldan Investment Company and will therefore abstain from discussions and voting on this item upon advice of Agency General Counsel.

RULE OF THE CHAIR: ACTING PRESIDENT BAGOT INDICATED THAT ITEM (j), RESOLUTION NO. 218-90, WOULD BE CONTINUED TO THE MEETING OF AUGUST 28, 1990.

NEW BUSINESS- CONSENT AGENDA

Acting President Bagot indicated that item (a) would be removed from the Consent Agenda and considered as a regular item because

he would like staff to report of the modifications to the agreement.

NEW BUSINESS - REGULAR AGENDA

- (a) Authorizing a Second Amendatory Agreement to the Land Disposition Agreement with Future Perfect, Inc. for Parcel AA-2 located at the westerly corner of Keith Street at the project boundary in Hunters Point.

Bill Rumpf, Chief, Housing and Management Production, described the revisions to the conveyance criteria, affordability restriction provisions and the homeowner's warranty requirement and use of tax exempt bonds. Mr. Rumpf noted an error in staff memorandums pertaining to items (a) and (b). The conveyance of site date should read October 10, 1990, rather than October 1, 1990.

Ms. Tsen requested staff to investigate the possibility of lowering construction costs to reduce public subsidies.

Mr. Bagot inquired as to when the seminars for homeownership would begin and Mr. Rumpf indicated that those sessions would begin as soon as construction starts which will be within the next few months.

Ms. Bolanos arrived at this time, 4:35 p.m.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-90 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (b) Authorizing a Second Amendatory Agreement to the Land Disposition Agreement with Progress Seven, Inc. for Parcel EE-1 located at the northerly corner of Newcomb Avenue and Whitney Young Circle in Hunters Point.

At the request of Ace Washington, WAPAC, Mr. Bagot indicated that item (c) would be removed from the Consent Agenda and considered as a regular agenda item.

- (d) Authorizing a Third Amendment to the Hazardous Waste Materials/Waste Consulting Contract, HM/WC-1, with Harding Lawson Associates, expanding the scope of services, presently limited to Redevelopment Project Areas, to include other potential development sites designated by the Agency; All Redevelopment Project Areas.
- (e) Designating the San Francisco Examiner and San Francisco Independent as the official newspapers of the Agency for the publication of official notices and advertisements.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (b), (d) AND (e), RESOLUTION NUMBERS 210-90, 212-90 AND 213-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Authorizing continuing Exclusive Negotiations, until November 19, 1990, with Fillmore Market Place Associates for the development of Parcel 732-B located at the northwest corner of Webster and Eddy Streets in the Western Addition A-2.

Ace Washington, WAPAC, noted his support of this item. He requested a status report on the project and a list of the partners of Fillmore Market Place Associates.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of Parcel 732.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 211-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to issue a Request for Proposals for the development, operation and management of Pier 40 in Rincon Point-South Beach and authorization of a marketing and advertising budget of \$15,000. The Mayor's Office has requested this item be continued.

The Commissioners noted their concerns regarding taking action before November because there will be an initiative on the November 1990 ballot in opposition to hotel development on the waterfront.

David Madway, Agency General Counsel, noted that Bay Conservation and Development Commission (BCDC) granted an extension regarding the Bulkhead Building subject to issuance of a Request for Proposals. If an RFP will not be issued until November then the matter will need to be discussed with BCDC.

The Commissioners requested staff to give a status report on this item in two weeks.

RULE OF THE CHAIR: ACTING PRESIDENT BAGOT INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 214-90, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 5, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a contract, in an amount not to exceed \$150,000, with Young Community Developers, Inc. (YCD) to

provide employment development and assistance services in the South Bayshore area. YCD is a non-profit community service agency in operation since 1973. Funds of \$30,000 under an initial contract have now been expended. This contract would assist the developers in achieving residents hiring goals as well as help the Agency meet the goals in its Economic Development Mission Statement. Its services include: target job search training; occupational clerical training; a basic literacy program; a summer youth employment program; a family crisis intervention unit; and a teen father responsibility and support program. Staff has analyzed YCD's work program, past performance, organization capacity and recommends YCD use a phasing approach to achieve full funding capacity. YCD has requested \$220,000 for this program year, however, staff recommends an amount not to exceed \$150,000 retroactive to August 1, 1990 to July 31, 1991. Agency funds will be leveraged with City resources that YCD receives from the Private Industry Council, the Mayor's Office of Community Development and the Mayor's Office of Criminal Justice. As part of the program performance report, YCD will also be required to submit oral and written status reports to the Commission on a quarterly basis.

The following persons spoke in support of item (g): Toye Moses, Executive Director, YCD; Stan Smith, San Francisco Building and Trades Council; Sheila Wells; Rich Sorro, Mission Hiring Hall; Rufus Davis, Jr., Bayview/Hunters Point Crime Abatement Committee; Leroy McDonald; John Jay; Left Gordon, Ella Hill Hutch Community Center; Raymond Martin, Coordinator, YCD Construction Program; Alvin Norman, President, YCD; and Shirley Jones, YCD.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests adoption of the 1990-1991 City-wide Tax Increment Housing Program and authorization of an expenditure of \$8 million in bond proceeds to be allocated to five housing programs. Last year \$10 million in funds were authorized and recently staff from the Agency and the Mayor's Office of Housing met to plan for the 1990-1991 program, resulting in a recommendation to expend \$8 million in program funds as well as the replacement of the landbanking program with a new reserve/development opportunity fund. Allocation of funds would be: \$2.5 million to rental housing acquisition and rehabilitation; \$1 million to housing for the homeless; \$2.5 million to rental housing construction; \$1.5 million to a reserve/development opportunity fund; and \$500,000 to a predevelopment fund. The program will continue to emphasize leveraging of non-local resources and the programs will be administered through requests for proposals timed to coordinate with State and Federal programs. Funding

decisions will provide matching funds and strengthen local applications for those programs. The new reserve/development opportunity fund will add flexibility to the program by reserving funds for projects that do not meet the timeline for a specific request for proposal. Landbanking will be included, as well as other possible uses, such as acquisition of HUD at-risk projects, and projects with a shortfall which cannot be met by any other funding sources. It is hoped the real estate transfer tax will be implemented and there will be additional funds for this program.

Ace Washington, WAPAC, noted his concerns regarding the different organizations that would receive tax increment money and indicated he would like to be involved in the housing program.

In response to an inquiry from Mr. Kitahata, Mario Menchini, Financial Analyst, indicated that these funds will come from a new bond issue.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-90 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to extend Exclusive Negotiations, until October 24, 1990, with Harbor Investment, Inc. for the development of Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center. The developer has completed all aspects of the LDA except submission of an affirmative action program. The requested extension is to provide additional time to complete negotiations on the affirmative action program and submit the LDA to the Mayor's Office for review as well as publish the required public hearing notice.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-90 BE ADOPTED.

- (k) Deputy Mayor James Ho and Luis Espinoza, Mayor's Office of Economic Development made a presentation on the Enterprise Zone Program and responded to questions from the Commissioners.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a). He indicated that the Commissioners have been provided with a copy of Proposition J, an initiative that will be on the November 1990 ballot. The initiative would make it City policy to allocate \$15 million per year for affordable housing, with a reduction to \$5 million per year if the Board of Supervisors makes a finding that "extraordinary circumstances" require a

reduction. Such reduction could only be made for two consecutive years. Ballot arguments in favor of the proposition are due by August 24, 1990. A ballot argument submitted on that date, in proper form, would cost \$25 plus \$2 per word. Although this is not an eligible use of Agency funds, the Commissioners may wish to consider doing a ballot argument as individuals.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON FRIDAY, AUGUST 17, 1990.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT THE AGENCY ENDORSE PROPOSITION J.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot requested that the Executive Director contact the San Francisco Examiner regarding an editorial on open space in the Golden Gateway Center which contained inaccurate information.
- (b) Ms. Bolanos inquired when the Economic Development Policy and Program will be before the Commission for consideration and Mr. Helfeld indicated this would be calendared for the September 4, 1990 meeting.

Acting President Bagot announced that this meeting would be continued to August 28, 1990, 2:00 p.m. at 939 Ellis Street, Garage Entrance, to conduct a site visit to view Shel-Del Heights, Chambers development, located on Carpenter Court off Whitney Young Circle.

Acting President announced that there will be three Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

southeast corner of Post and Gough Streets in the Western Addition A-1 with Ou Interest; and

east side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art.

There are two Closed Sessions which arose subsequent to posting of the agenda on Friday, August 17, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add these items.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE MATTERS AROSE AFTER POSTING OF THE AGENDA ON AUGUST 17, 1990.

The first item is pursuant to Government Code Section 54956.9(a) to advise the Commission regarding threatened litigation. The name of the case is G & H Development vs. Redevelopment Agency of the City and County of San Francisco.

The second item is pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on the southeasterly corner of Phelps Street and Williams Avenue in South Bayshore and the person with whom the Agency may negotiate with is Michael Feldman.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on threatened Litigation. The meeting adjourned at 6:45 p.m.

RECONVENED

At this time and date the meeting reconvened at 939 Ellis Street, Garage Entrance, for the purpose of a site visit to view Shel-Del Heights, Chambers Development, in Hunters Point, with the following roll call:

Leroy King, President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian
V. Fei Tsen (joined the tour on site)

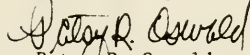
The meeting then moved to the site on Carpenter Court off Whitney Young Circle in Hunters Point and the Commissioners viewed two homes in the Shel-Del Heights development.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:55 p.m.

Minutes of a Regular Meeting, August 21, 1990

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 13, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF AUGUST, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Southeast Community College, 1800 Oakdale Avenue in the City of San Francisco at 4:00 o'clock p.m. on the 28th day of August, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian
V. Fei Tsen

and the following was absent:

Paul Wartelle (Arrived 4:24 p.m.)

The President declared that a quorum was present.

Gene E. Suttle, Acting Executive Director and staff members were also present.

Also present were: Albert Waters, President, Morgan Heights Homeowners Association; Ace Washington, WAPAC; Barbara Plummer, Bayview Democratic Club; Larry Chew; Sam Aaron Williams, San Francisco Quality Life Network; Larry Ukali Johnson Redd, OMI-Pilgrim Community Center; Reverend Banks; Caro Isen, Local 21; Alfredo Aquin; Robert McCarthy and Victor Gonzales, Taldan Investment Company; Key Kwek; Dave Stolecki; Stan Smith, San Francisco Building and Trades Council; Arnold Townsend, Rod Chiessi and Stephen Hopkins, Hopkins Development Company; Greg Holzman, Flynn Land Company; Donetta Lane; Cheryl Towns, New Bayview Committee; Michael Reed, Housing Conservation and Development Corporation; Reverend Lane; Carmen Piner, Southeast Community College; Leon Neal; El-Amin Shabazz; T. Ivy; Herman P. Jones; Rick Graham; L. Briggs; Alex Pether; Rufus Davis; T. Moses, Young Community Developers; Kevin Williams; W. Herb Bergans; and Ethel Garlington.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of August 7, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President King reported as follows:

- (a) It is a pleasure to hold the Agency meeting in the Hunters Point area. There are a number of items to be discussed today that affect the Bayview/Hunters Point community. In accordance with the Mayor's program, it is intended to hold Agency meetings in various communities.
- (b) Prior to this meeting, the Commissioners went on a site tour to view Shel-Del Heights, Chambers Development, and it was pleasing to see the new homes.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters.

- (a) Executive Director Edward Helfeld is on vacation and will be back in the office on September 5. The Deputy Executive Director for Finance Robert Gamble is also on vacation and will be back in the office on August 30 and Agency General Counsel David Madway is on business out of the country and will return August 31, 1990. Robert Firehock is Acting Agency Counsel and Jennifer Bell, Assistant General Counsel is also present.
- (b) At the reception table there is a sign-up sheet from the San Francisco Housing Development Corporation for persons interested in attending a workshop that relates to pre-qualifying for the purchase of approximately 170 homes to be built in Hunters Point.
- (c) From 5:30 to 7:30 p.m. this evening, there will be a reception for the artists by the Board of Directors and staff of the Yerba Buena Gardens Cultural Center for their show in "in Situ": Encountering Connations" at 211 Brannan Street.
- (d) On August 29, the Finance Committee of the Board of Supervisors will hear the proposed Real Estate Property Transfer Tax increase. Staff will be covering this item and will report to the Commission on the outcome.
- (e) On August 27, the amendment to the Hunters Point Survey Area was referred to the Economic and Social Policy Committee of the Board of Supervisors and it is expected this will appear on their calendar on September 12, 1990. If passed, this item would allow the study of including a parcel, which is being considered for a supermarket site, for possible inclusion in the Hunters Point Redevelopment Project Area.

- (f) Albert Walters, President of the Morgan Heights Homeowners Association, will be making a presentation later at this meeting on that development.
- (g) A status report will be made by staff on the Housing and Economic Development Programs for the Hunters Point and India Basin Redevelopment Projects and South Bayshore. To first review the progress that has occurred in South Bayshore. The India Basin Industrial Park Redevelopment Project has given a new physical face and brought healthy economic uses to a major industrial sub-area of the district. The Hunters Point Redevelopment Project has produced an attractive variety of new family housing -- currently over 1,300 dwellings -- at the top of the hill which was once dominated by old temporary war-time housing. Establishment of the 155-acre Candlestick Point Recreation Area along the southern edge of the community has opened the shoreline to public access and recreational activities for the first time in the community's history. The challenges that still exist occur in the interior of the community. Third Street, the primary commercial artery running through the middle of the community, still has not fully recovered from the general decline that set in during the past forty years. The deteriorated character and unhealthy commercial uses on large portions of the street give a negative impression of the community and overshadow much of the progress that has occurred. The eastern edge of the South Basin industrial area still has an uneasy relationship with adjacent and nearby residential uses and the State Recreation Area. Alice Griffith, a major public housing project between South Basin, Candlestick Park, and the State Recreation Area, stands in need of substantial repair and modernization.

Byron Rhett, Project Coordinator, summarized the Agency's housing efforts in Hunters Point/India Basin.

Michele Davis, Development Specialist, described the present and future developments in the Hunters Point Area.

Mr. Wartelle arrived at this time 4:24 p.m.

Byron Rhett gave a brief presentation of the Agency's economic development efforts in Hunters Point/India Basin.

Leamon Abrams, Chief, Economic Development, described the present and future economic developments in India Basin and South Bayshore. He indicated that the Agency is currently negotiating with Michael Feldman on the land sale of the supermarket site on Williams Avenue in South Bayshore.

The following persons spoke regarding item (g): Barbara Plummer, Bayview Democratic Club; Larry Chew; Sam Aaron Williams, San Francisco Quality Life Network; Larry Ukali Johnson-Redd, OMI-Pilgram Community Center; and Reverend Banks.

Albert Waters presented the Commission with a Merit Award for the best affordable housing project by the Pacific Coast Builders Association to the Morgan Heights development.

The speakers noted their desire to: expedite the opening of the supermarket in the South Bayshore; economic development opportunities; job training for young black persons in the community; and the inclusion of Sunnydale and Ocean View in the Enterprise Zone application being submitted to the State by the Mayor's Office of Economic Development.

In response to comments by the speakers, Mr. Bagot indicated that the Commission is totally committed to acquiring the site for a supermarket and staff will follow up on the request regarding Enterprise Zones.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot indicated that the Finance Committee of the Board of Supervisors will consider the proposed Real Estate Property Tax increase at 2:00 p.m. on August 29 and it is hoped members of the New Bayview Committee can attend to support this item which will provide funds for affordable housing.
- (b) In regard to the East Slope of Bernal Heights and the development taking place there, it was Mr. Bagot's opinion that although there has been an ordinance passed talking about a development of undedicated right-of-ways, there was one that was excluded from that legislation, which is Esmeralda, a very steep street, and he would be disinclined to include it in the agreement with the neighborhood. He believed it should be viewed as potential use for subsidized affordable housing development and beyond that he liked the compromise that staff was able to work out.
- (c) Mr. Bagot requested staff reply to Gerald Whitehead's letter regarding affirmative marketing in the Rincon Point-South Beach Project Area.

President King indicated that at the request of the Local 21 representative, item (f), New Business, would be taken up at this time.

NEW BUSINESS - REGULAR AGENDA

- (f) Mr. Suttle introduced item (f), which requests authorization of a new Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21, effective July 1, 1990 through June 30, 1992. Subsequent to an extension of the agreement through June 30, 1990, negotiations have been completed. The major issues addressed included: overtime compensation; security; contributions to medical and dental plans; vacation and sick leave transfer to employees with catastrophic illnesses; composition of the

bargaining unit; management/union committees on benefit, employee recognition, health, safety and training; and mileage reimbursement of private vehicles on Agency business. The negotiations were conducted in a positive manner resulting in an equitable agreement for both parties. Local 21 ratified approval of the agreement in their membership meeting on August 27.

Carol Isen, Local 21, requested approval of item (f).

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-90 BE ADOPTED.

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which requests authorization of Exclusive Negotiations, until November 28, 1990, with Taldan Investment Company for the development of Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center and rejects the offers to negotiate exclusively of the other prospective developers. At the August 14 meeting, the Staff Developer Selection Committee made a presentation of four proposals received in response to a Request for Proposals which provided that the primary development objective is a supermarket. Staff reviewed and evaluated all aspects of each proposal and continues to recommend approval of Taldan Investment Company for exclusive negotiations.

The following persons spoke in support of item (a): Alfredo Aquin; Robert McCarthy and Victor Gonzales, Taldan Investment Company; Key Kwak; and Dave Stolecki.

The following persons spoke in opposition to item (a): Stan Smith, San Francisco Building and Trades Council; Arnold Townsend, Rod Chisessi and Stephen Hopkins, Hopkins Development Company.

Greg Holzman, Flynn Land Company, also spoke regarding item (a).

Mr. McCarthy responded to issues raised by Mr. Smith regarding affirmative action, prevailing wages; and job training.

Mr. Mardikian indicated that although a conflict of interest does not exist because there is not a financial interest involved, he does have a business relationship with Taldan Investment Company and will therefore abstain from discussions and voting on this item.

Ms. Tsen and Mr. Wartelle noted that if the developer does not adhere to the performance schedule mandated in the

exclusive negotiations, the next developer should be considered.

President King indicated he does not support staff recommendation because he believes staff did not thoroughly evaluate Taldan's affirmative action program and past performance in that regard.

Upon inquiry from Ms. Tsen, Mr. Suttle indicated that the Agency's affirmative action requirements are a part of every LDA. In addition, all developers have agreed to comply with the Agency's affirmative action program and the selected developer will be required to submit a satisfactory program within sixty days of authorization of exclusive negotiations.

After discussion, the following resolution was adopted:

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, THAT RESOLUTION NO. 218-90 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Bolanos
Mr. Bagot
Mr. Kitahata
Ms. Tsen

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Wartelle

AND THE FOLLOWING ABSTAINED:

Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing execution of Assignment of Homeless Multi-Service Center Purchase Options, located at 525 Fifth Street and 1001 Polk Street, to the City and County of San Francisco.
- (b) Authorizing a contract with Yamasaki Design for Graphic Design services for new Agency letterhead and stationery.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 219-90 AND 220-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA (Continued)

- (c) Mr. Suttle introduced item (c), which is a workshop on the proposed Housing Affordability Program for Hunters Point School Site with Housing Conservation and Development

Corporation (HCDC) and John P. Hunter. In April 1990, exclusive negotiations were authorized for the development of a mixed-use project, including housing and neighborhood-serving retail on the site. It is proposed to construct 44-55 units of homeownership housing with 100 percent of the units affordable which would require estimated subsidies of \$3.25 to \$4 million. The proposed homeownership program is based on consultation with community groups. Prior to entering into a Land Disposition Agreement, staff recommends adoption of an Affordability Program based on reasonable expectations of subsidy funds. It is now proposed to discuss ownership versus rental housing and the percentage of affordability relative to the Agency committing to all or part of the subsidy needed to make the development 100 percent affordable. It should be noted that at the meeting of September 4, an extension of exclusive negotiations will be requested, as their rights expire on September 5.

Bill Rumpf, Chief, Housing and Management Production, made a presentation on the Housing Affordability Program for the site.

Mr. Wartelle noted that due to a potential conflict of interest because he has a business relationship with HCDC, he would refrain from discussions on this item.

The following persons spoke regarding item (c): Donetta Lane; Cheryl Towns, New Bayview Committee; Michael Reed, Housing Conservation and Development Corporation; Reverend Lane; and Al Waters, Morgan Heights Homeowners Association.

Mr. Bagot and Ms. Tsen noted their concerns that homeownership requires larger subsidies than rental housing and therefore funds cannot be leveraged as well when homeownership is involved and does not make sense economically. Staff is requested to look into the possibility of cooperatives as they can take advantage of the same tax credits rental housing can.

A number of speakers indicated they do not encourage rental housing for this site but supported the Commission's previous commitment for homeownership units.

Mr. Kitahata indicated he agreed with Commissioners Bagot and Tsen and that staff should look at other modes other than rentals and homeownership, such as cooperatives.

Ms. Tsen requested staff review the commitments and actions taken by the Commissioners regarding this site as she does not recollect the Commission making a commitment to homeownership units.

Mr. Wartelle requested a workshop on the financing possibilities for cooperatives and homeownership.

- (d) Public Hearing to hear all persons interested in authorizing an Option for Development Sublease for the parcel which is bounded by King Street, Townsend Street and The Embarcadero; Rincon Point-South Beach.

President King opened the Public Hearing to hear all persons interested in this matter.

- (d) Mr. Suttle introduced item (d), which requests authorization of an Option for Development Sublease Agreement with BRIDGE Housing Corporation (BRIDGE) for Site K, which is bounded by King Street, Townsend Street and The Embarcadero in Rincon Point-South Beach.
- (e) Mr. Suttle introduced item (e), which requests approval of a minor additional building volume above the 40 foot height limit, which will enhance the development, as permitted by the "Design for Development", as amended by the Redevelopment Agency and Planning Commission in 1987.

BRIDGE will be submitting a Tax Credit Application to the California Tax Credit Allocation Committee on August 31, 1990 and shortly thereafter a Financing Application will be submitted to the State Rental Housing Construction Program. Execution of an option for Development Sublease Agreement will provide BRIDGE with the necessary evidence of site control for both applications. Total development costs are estimated at \$12.8 million for this project consisting of 108 affordable residential units; 3,000 square feet of commercial space; and 1,000 square feet of common area space to accommodate a child care facility. If BRIDGE is successful in receiving financial commitments, construction could begin in the Spring of 1991. However, if commitments presently being pursued are not received, Agency financial assistance may be required or the number of affordable units may have to be adjusted. The Option for Development Sublease Agreement includes a provision to renegotiate the affordability terms if other subsidies cannot be obtained. BRIDGE will create a limited partnership for this project and will have Delancey Street Foundation as a co-general partner. BRIDGE will be the managing general partner while the limited partners will be private investors if low income housing tax credits are allocated to the project. Westbay Filipino Multi-Service Corporation will assist BRIDGE in affirmative action monitoring during construction, affirmative marketing during lease-up and will work with local hiring halls to recruit and place minority workers who live in the South of Market area. At a public workshop on August 7, the design, housing affordability and proposed Option for Development Sublease Agreement were reviewed. The developer subsequently made a presentation to the Rincon Point-South Beach Citizens Advisory Committee who unanimously endorsed the proposal, except for certain design issues which will be incorporated into the criteria the Agency will use to approve the design proposal.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 221-90, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 222-90, BE ADOPTED.

- (g) Mr. Suttle introduced item (g), which requests authorization of a Professional Services Contract, in an amount not to exceed \$150,000, with Environmental Science Associates for preparation of the required Environmental Review Documents for the City/County's proposed Enterprise Zone Program Application. An Environmental Impact Report is required for an application the Mayor's Office of Economic Development is preparing for the State of California's Enterprise Zone Program and the Mayor's Office has requested that the Agency fund this activity. The documentation to be prepared is a portion of the report and should the application be accepted as a finalist, a complete EIR will need to be prepared by mid-February 1991 and up to \$125,000 will need to be added to this contract.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-90 BE ADOPTED.

- (h) Mr. Suttle introduced item (h), which requests approval of an Option Agreement between Delancey Street Foundation (Foundation), a California Non-profit Public Benefit Corporation, and Embarcadero Triangle Associates, a Limited Partnership, to purchase improvements and have the Foundation assign its right, title and interest in the Development Sublease Agreement to the Partnership, for the improvements located on Site J in Rincon Point-South Beach. The Development Sublease Agreement between the Agency and Delancey Street provides for the development of 177 affordable residential units on the site. Embarcadero Triangle Associates, a limited partnership, comprised of Delancey Street Housing Development Corporation and Delancey Street Foundation has been formed to sponsor a Tax Credit Application that the Foundation will be submitting on August 31, 1990 to the California Tax Credit Allocation Committee. The Option Agreement is necessary to comply with site control requirements mandated by the Committee. The Agreement assigns the Foundation's rights to the Partnership exclusively for the ownership and operation of affordable housing for low income individuals. If the application is approved, private investors will be admitted as additional limited partners and Embarcadero Triangle Associates will enter into a 55 year regulatory agreement which will restrict the rents to low income levels. The Foundation will use the

proceeds from the sale of tax credits to repay a loan in an approximately amount of \$1,343,500 from Bank of America and use the remainder of the proceeds raised of approximately \$4.5 million to reimburse itself for a portion of funds it expended for the project.

Mr. Bagot and Ms. Tsen reported on discussions with Delancey Street regarding their application for tax credits and the possibility of the Agency being reimbursed for their contribution to the project.

Ms. Tsen noted that the Delancey Street and BRIDGE Housing Corporation projects will provide affordable housing and, if tax credits are received, no further Agency subsidies will be required. In addition, it is believe these projects meet the Agency's housing affordability criteria.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

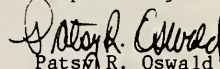
- (a) Albert Waters, Morgan Heights Homeowners Association, noted he would be meeting with Byron Rhett, Project Coordinator, Hunters Point/India Basin, and Wilbert Battle, Community Liaison Officer, on issues related to the Morgan Heights project.

President King indicated that the Closed Session listed on the agenda on real property negotiations for the southeasterly corner of Phelps Street and Williams Avenue in the South Bayshore with Michael Feldman would not be held.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 13, 1990

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9/14/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF SEPTEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City and County of San Francisco, California at 4:00 o'clock p.m. on the 4th day of September, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Buck Bagot, Vice President
- Sonia Bolanos
- Gary Kitahata
- V. Fei Tsen
- Paul Wartelle

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and the following was absent:

Haig G. Mardikian

The President declared that a quorum was present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present was: Geraldine Johnson.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) The Commission have been provided with a flyer on the Affordable Housing Fair which will be held from 10 a.m. to 4 p.m., September 22, at the Civic Center. The Agency has reserved a booth and will have a display of housing developments in Redevelopment Project Areas. There will also be a sign-up sheet to register names for the First Time Homebuyers Program in Hunters Point.
- (b) The proposed increase in the Real Estate Property Transfer Tax is before the Board of Supervisors today and staff will report back to the Commission on this item.
- (c) With regard to the At-Risk Housing and Federal Legislation, both the House and Senate have passed comprehensive federal housing legislation and the differences will be considered in Conference Committee this month. This issue has a major

impact on San Francisco because the City has more than 8,000 HUD subsidized housing units, mainly in the Western Addition and Hunters Point Project areas. At the Agency's suggestion, the Mayor has agreed to hold a press conference with other Bay Area Mayors, tentatively scheduled for September 17 at 11 a.m. to support the Senate version of a preservation program. Staff has prepared background material and will assist in coordinating the press conference.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot noted that staff has been leading the City on the at-risk housing issue and there is a possibility of editorials in the Examiner and Chronicle supporting a position that would preserve affordable housing.
- (b) Mr. Bagot inquired regarding scheduling another Agency meeting in the community and Mr. Suttle indicated a meeting will be held in the Western Addition before Thanksgiving.
- (c) Mr. Bagot noted his concern at the possibility that the Real Estate Property Transfer Tax would not be passed by the Board of Supervisors.
- (d) Mr. Bagot noted his concern at the severe crime problems in areas where the Agency is putting a lot of money into housing and economic development, particularly in Hunters Point. He proposed that the Agency consider issuing funds of \$100,000 to \$150,000 and suggested foundations might be persuaded to make matching contributions to organize homeowners in fighting crime.
- (e) Mr. Wartelle inquired regarding efforts to improve security at the Morgan Heights development and Mr. Suttle indicated that the tenants are organizing themselves and looking to their own resources for financing. Mr. Wartelle indicated he would like the Commission to be kept up-to-date as they all share the concern about crime problems in Morgan Heights.
- (f) Ms. Bolanos inquired regarding the status of a policy and program statement on economic development and Mr. Suttle indicated that Leamon Abrams, Chief, Economic Development, is working on an economic development policy which has been discussed with the Economic Development Sub-Committee and is also preparing a program for suggested disposition for the approximately \$5 million in the Economic Development Fund.

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which requests authorization to issue a Request for Proposals for the development, operation and management of Pier 40 in Rincon Point-South

Beach and authorization of a marketing and advertising budget of \$15,000. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (a), RESOLUTION NO. 214-90, WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing an extension of Exclusive Negotiations with Housing Conservation and Development Corporation and John P. Hunter for development of the Hunters Point School Site located on the southeast corner of Kiska Road and Ingalls Street; Hunters Point.
- (b) Awarding Site Improvement Contract No. 35 to Coastal Construction Project Management, Inc. in the amount of \$16,208.50 for sidewalk modifications at Bell Court and Bass Circle; Hunters Point.
- (c) Authorizing a settlement of the claim of G & H Developers in the amount of \$10,000.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a), (b) AND (c), RESOLUTION NUMBERS 226-90, 227-90 and 228-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Suttle introduced item (d), which requests authorization of acceptance of \$6,000 from the Martin Luther King, Jr. Fundraising Committee and expenditure of \$6,000 of Agency funds for selection of the artist for the Martin Luther King, Jr. Memorial in the Esplanade area of the Yerba Buena Gardens of Yerba Buena Center. Subsequent to approval of inclusion of the memorial in the Esplanade area, the Fundraising Committee, the Agency's architects, MGA Partners, agreed that an appropriate memorial could be integrated into the walls associated with the fountain ramps. Assisted by Jerry Allen, Executive Director of the YBG Cultural Center, the Committee has now formulated a process for selecting an artist to design the memorial to accommodate the Agency's design schedule, while conforming to guidelines for such processes recommended by the National Endowment for the Arts. In addition, the process offers a unique opportunity to select an artist of national prominence to make a major contribution to the Gardens. Following review by the Committee of the work of twenty leading artists, four have been selected for interviews during the week of September 10. The selection process will cost approximately \$12,000 of which the Committee would pay \$6,000 and the Agency \$6,000. The

selection process is scheduled to be completed by September 24, 1990 so that the artist will be available to work with the architects during the completion of the Preliminary Construction Documents in October.

Geraldine Johnson indicated that it was a pleasure to work with Agency staff, architects and representatives of the Arts Commission and was pleased that the process was moving forward. She noted that it was the Committee's intention to provide additional money to defray costs.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 229-90 BE ADOPTED.

- (e) Mr. Suttle introduced item (e), which requests authorization of a contract, in an amount not to exceed \$24,500, with Nor-Cal Moving Services in connection with relocation of the Agency's offices to 770 Golden Gate Avenue and 815 Eddy Street (Central Records location). Bids were received from four moving companies ranging from \$22,283.07 to \$33,662.13. On the basis of the lowest bid received, it is proposed to contract with Nor-Cal, an MBE firm, and to add a 10 percent contingency to the estimated bid to cover any unforeseen services that may be required during the move.

President King requested a complete breakdown regarding MBE/WBE contracts related to the move of the Agency's offices.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 230-90 BE ADOPTED.

President King announced that there will be five Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

southeasterly corner of Phelps Street and Williams Avenue in South Bayshore with Michael Feldman; and

east side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art; and

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northeast corner of Ellis and Fillmore Streets in the Western Addition A-2 with Western Commercial Partnership II; and

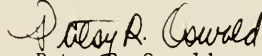
northeast corner of Fillmore and Eddy Streets in the Western Addition A-2 with Fillmore Renaissance Associates.

Minutes of a Regular Meeting, September 4, 1990

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to five Closed Session on real property negotiations. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED : November 20, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF SEPTEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of September, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia Bolanos
Haig G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following were absent:

Buck Bagot, Vice President
Gary Kitahata

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Dan Jerka and Hal Womak, Go Club; and Felix Warburg, Bush Street Synagogue.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) At a press conference on September 11, attended by the Mayor at the San Francisco Museum of Modern Art two major announcements were made by the Museum: that they have pledged of 80 percent of the funds they need to build the building and, for an endowment, they have pledged for \$65 million so they feel it is reasonably safe to proceed. They also presented the proposed design for the building which was well received. The Mayor was very complimentary to the Museum and the Agency.
- (b) On September 12, the Economic and Social Policy Committee of the Board of Supervisors is considering a resolution amending the Hunters Point Survey Area to include property that is being considered as a possible supermarket site on Williams Avenue.

Minutes of a Regular Meeting, September 11, 1990

- (c) On September 13, 4:00 to 7:00 p.m., the Fillmore Center will be holding a Grand Opening to which the Commissioners have received an invitation. This development has 1,113 dwelling units, 20 percent of which are reserved for low-moderate income tenants.
- (d) The Commissioners have been provided with an informational memorandum outlining the Economic Development Expenditure Plan and it is anticipated an Economic Development Policy Revision will be before the Commission for action at the September 18 meeting. Before the Expenditure Plan is brought before the full Commission, it will be reviewed by the Economic Development Sub-Committee.
- (e) The Commission have been provided with a letter from the Bay Conservation Development Commission (BCDC) indicating they will grant an extension for the Bulkhead Building which came after conversing with the Director of BCDC and noting that since a November Ballot Proposition would affect the waterfront, it would be better to send out a Request for Proposals after the election. However, if the matter has not been resolved by February 1991, they will want it moved off the site on an interim basis.
- (f) On September 28, the Agency will be moving to its new offices at 770 Golden Gate Avenue. Because of the disruption, it is anticipated the Agency meeting of October 2 will not be held.
- (g) During the next couple of weeks, staff will be advertising a contract for additional work at the South Beach Harbor relating primarily to the repair of the marginal wharf. This is related to work not being done in the law suit the Agency had on the harbor, however, it needs to be done and it will include the new mechanism for achieving minority business enterprise.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Second Amendment which makes certain changes to the Personal Services Contract for Acquisition Appraisal Services with Appraisal Research Company.
- (b) Authorizing a First Amendment which increases the amount payable by \$15,000 and makes certain other changes to the Personal Services Contract for Acquisition Appraisal Services with Carneghi-Bautovich & Partners, Inc., formerly Mills-Carneghi-Bautovich, Inc.
- (c) Authorizing a First Amendment which increases the amount payable by \$20,000 and makes certain other changes to the Personal Services Contract for Acquisition Appraisal Services with Yovino-Young, Inc.

- (d) Authorizing a Second Amendment which makes certain changes to the Personal Services Contract for Acquisition Appraisal Services with Real Estate Research Corporation.
- (e) Authorizing a Fifth Amendment which makes certain changes to the Personal Services Contract for Economic Land Consulting Services with Keyser Marston Associates, Inc.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (e), RESOLUTION NUMBERS 231-90 THROUGH AND INCLUDING 235-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (f) Public Hearing to hear all persons interested in a Land Disposition Agreement for private development with the Bush Street Synagogue Cultural Center for the property located at 1881 Bush Street and the purchase and development of the parcel located at the southeasterly corner of Bush and Laguna Streets; Western Addition A-2.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (f), which requests authorization of an Agreement with the Bush Street Synagogue Cultural Center for the purchase and rehabilitation of 1881 Bush Street and the purchase and development of 1889 Bush Street in the Western Addition A-2. It is recommended this item be continued to the meeting of September 25, 1990.

Dan Jerka and Hal Womack, Go Club, requested that this item be continued, as the Bush Street Synagogue had not assured the Go Club they would have a place in the new facility.

Felix Warburg, Bush Street Synagogue, indicated a desire to work with the Go Club, was cognizant of the Go Club's historic use of the building and as soon as the Schematic Design is completed, they would meet with the Go Club representatives and try to accommodate them in the new facilities.

Mr. Helfeld recommended that this item be delayed for two weeks, so that the affected parties could meet.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (f), RESOLUTION NO.

236-90, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 25, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a \$800,000 loan to Catholic Charities for the development of 111 Jones Street as part of the City-wide Tax Increment Housing Program. It is recommended this item be continued to the meeting of September 25, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 237-90, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 25, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (h) Mr. Helfeld introduced item (h), which requests authorization to purchase four copiers and maintenance agreements from Xerox Corporation in the amount of \$57,540.

President King noted his opposition to this contract with Xerox Corporation because they could not sign the City's South African Divestment Ordinance.

After a discussion between the Commissioners and staff, it was the consensus of the Commission that the Agency not do business with Xerox Corporation because it could not sign the South African Divestment Ordinance.

Mr. Helfeld requested that selection of copying machines be continued to the meeting of September 18, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (h), RESOLUTION NO. 238-90, WOULD BE CONTINUED TO THE MEETING OF SEPTEMBER 18, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Mr. Helfeld introduced item (i), which requests authorization for Edward Helfeld, Executive Director, to travel to Chicago, Illinois, October 31 through November 3, 1990, to attend the Urban Land Institute (ULI) Conference at a cost not to exceed \$2,500.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-90 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Public Hearing to hear all persons interested in the matter of the Agency entering into (i) a 1990 Project Lease (the "Lease") with the City and County of San Francisco, a municipal corporation and chartered city (the "City"), for the leasing to the City of certain land and improvements thereon in the Yerba Buena Center Approved Redevelopment

Project Area within the City and County of San Francisco Assessor's Block 3734, plus certain subsurface and air space areas of Howard, Third, Folsom and Fourth Streets (the "Project Land and Improvements"), and (ii) a 1990 Assignment Agreement among the Agency, the City and County of San Francisco Refunding Lease Revenue Bonds, Series 1990 (George R. Moscone Convention Center (the "Trustee"), for the assignment to the Trustee of certain amounts received under the Lease.

President King announced that the Public Hearing is cancelled.

President King announced that there will be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

southeasterly corner of Phelps Street and Williams Avenue in South Bayshore with Michael Feldman; and

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

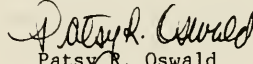
Central Blocks 1 and 2 in the Yerba Buena Center with Marriott; and

parcel bounded by Jackson, Drumm and Washington Streets, Embarcadero-Lower Market, with Golden Gateway Center.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations. The meeting adjourned at 4:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 20, 1990

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF SEPTEMBER, 1990,

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of September, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia Bolanos
Gary Kitahata
Paul Wartelle

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and the following were absent:

Buck Bagot, Vice President (Arrived 4:10 p.m.)
Haig G. Mardikian (Arrived 4:15 p.m.)
V. Fei Tsen (Arrived 4:35 p.m)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Barbara Plummer, Bayview/Hunters Point Democratic Club; Sam Williams, Bayview/Hunters Point Democratic Club; Kim Shine, Bayview/Hunters Point Foundation; Antoinette Butler, New Bayview Committee; Ace Washington, WAPAC; Michael Feldman, 345 Williams Avenue Partnership; Eva Shiarring; Geraldine Johnson; Orelia Langston and Nicholas Dempsey, Cala Foods.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On September 17, the Real Estate Transfer Tax, which was to be used to raise funds for low and moderate income housing was considered by the Board of Supervisors and did not pass. However, the Mayor's Office is pursuing the matter and staff will keep the Commission advised of developments.
- (b) The Commissioners have been provided with status reports on the South of Market Earthquake Recovery Project and the Oriental Warehouse in Rincon Point-South Beach.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to rent four copiers of various sizes from Konica Business Machines, for a monthly total of

approximately \$1,895.00. Rental of four Konica copiers is proposed as a substitute for the earlier recommendation for Xerox copiers. Although somewhat slower and lacking a number of features of the Xerox copiers, staff is hopeful they will satisfy the needs of the Agency on an interim basis. Rental rates are for a three year rental, however, rental may be cancelled during that period without penalty for cost of pick-up charge. This is an interim solution until Xerox Corporation signs the South Africa Divestment Affidavit in July of next year. At that point, staff would propose a further evaluation to address the Agency's long term copier needs.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-90 BE ADOPTED.

NEW BUSINESS-CONSENT AGENDA

At the request of Ace Washington, WAPAC, President King indicated item (a) would be removed from the Consent Agenda and considered as a Regular Agenda item.

(b-1) Authorizing a Second Amendment to the Janitorial Services Contract with West Coast Maintenance Services to extend the term and increase the compensation by \$3,000.

(b-2) Authorizing an extension of the lease for office space with the Bay Area Air Quality Management District through September 30, 1990 at an additional cost not to exceed \$11,939.00.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS b-1 AND b-2, RESOLUTION NUMBERS 242-90 AND 243-90, BE ADOPTED.

Mr. Bagot arrived at this time, 4:10 p.m.

NEW BUSINESS - REGULAR AGENDA

(a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendatory Agreement which revises the Performance Schedule of the Agreement for Disposition of Land for Private Development with Sprincin DevelopmentPartners IX, for Parcels 779-B and C located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2.

At the request of Ace Washington, Mr. Helfeld gave a status report on the project.

Mr. Mardikian arrived at this time 4:15 p.m.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-90 BE ADOPTED.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the southeasterly corner of Phelps Street and Williams Avenue in South Bayshore and the entity with whom the Agency negotiator may negotiate is Michael Feldman.

The meeting adjourned to a Closed Session at 4:15 p.m and reconvened at 4:25 p.m. with the same roll call.

President King indicated that, at the request of the representative of 345 Williams Avenue Partnership, item (h) would now be taken up.

- (h) Mr. Helfeld introduced item (h), which requests authorization to purchase the property located at the southeasterly corner of Williams Avenue and Phelps Street in the South Bayshore area of San Francisco for a \$4 million payment at escrow closing plus an additional payment of up to \$700,000 to be determined by a retired judge jointly selected by the Agency and 345 Williams Avenue partnership. Staff has completed negotiations to purchase the Williams Avenue property for development of a full service supermarket.

The following persons spoke in support of item (h): Barbara Plummer, Bayview/Hunters Point Democratic Club; Michael Feldman, 345 Williams Avenue Partnership; Nicholas Dempsey, Cala Foods; Sam Williams, Bayview/Hunters Point Democratic Club; and Geraldine Johnson.

Ms. Tsen arrived at this time 4:35 p.m.

In response to an inquiry from Ms. Johnson, Mr. Dempsey indicated that Cala Foods is union operated.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests adoption of a Revised Economic Development Policy Statement as a supplement to the Mission Statement that was adopted on April 11, 1989.

The following persons spoke regarding item (c): Eva Schiarring; Geraldine Johnson; Sam Williams; Orelia Langston; Antoinette Butler; and Ace Washington.

President King indicated to Ms. Schiarring that a proposal submitted by a group of agencies requesting economic development funds to target Hunters Point and the Western Addition would be evaluated by staff.

The speakers noted their concern that the revised Mission Statement was not as specific as the Mission Statement originally adopted and the need to hold workshops to receive community input before changes are made.

Following discussion, it was the consensus of the Commission that the complete program and expenditure plan should be brought to a conclusion before a policy is adopted. In the interim, there will be more community involvement in the program at staff level culminating in a public workshop.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 244-90, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 30, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Mr. Helfeld left the meeting at this time, 5:20 p.m.

- (d) Gene Suttle, Senior Deputy Executive Director, introduced item (d), which requests approval of a Letter of Extension to YPT Associates from September 19 to November 15, 1990. The Agency and YBG Associates have been working to conclude the financing arrangements necessary for the Central Block One (CB-1) Office Parcel sale in Yerba Buena Center. Additional time is needed to complete this work. The Developer will pay an extension payment of \$535,000.

David Madway, Agency General Counsel, noted that there are two extensions involved and approval is being requested for the Executive Director to grant extensions, as appropriate, but not beyond November 15, 1990.

Mr. Helfeld returned to the meeting at this time, 5:25 p.m.

ADOPTION IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests approval of an interim sick leave and vacation transfer policy for catastrophically ill employees to maintain consistency with the City's benefit structure retroactive to July 1, 1990. San Francisco voters approved an amendment of the San Francisco Administrative Code which implemented a transfer of sick leave and vacation credits to catastrophically ill employees effective December 26, 1989. The Agency would like to adopt an interim policy effective retroactive to July 1, 1990 to deal with an Agency employee who has become ill during this period and any others who may become ill prior to the permanent policy being adopted. A six member Joint Benefits and Employees Recognition Committee has developed a proposed interim policy. Once the work of the Committee is finished, the Agency's Personnel Policy will be proposed for amendment to add this as a permanent policy. The Committee has investigated and, as yet, has found no tax consequences to either the donor or the recipient.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to purchase 10 computers with related equipment and software at a total cost not to exceed \$51,025. The Agency is currently involved in a program to computerize its operations. A number of departments have requested authorization to purchase computers, related equipment and software to increase productivity and complement the Agency's new AS-400 system. There are sufficient funds available in the individual division budgets to fund this purchase.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests approval of the sale of residual asset value of Opera Plaza Mortgage Revenue Bonds to Meridian Bank for \$2,200,000. It is recommended this item be continued to the meeting of October 9, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 248-90, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 9, 1990, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to disburse \$1.25 million in City-wide Tax Increment Housing Program funds to Hospice by the Bay for the acquisition of 141 Leland Avenue and 5-11 Peabody Street for a 51 unit low-income housing development for persons with life-threatening illness. In May 1990, the Commission authorized a \$1.25 million loan for this development and the State committed \$1.26 million. However, the State funds have been delayed until approval of full project working drawings and Agency funds will allow Hospice by the Bay to retain site control by purchasing the property by September 30, 1990.

ADOPTION IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding Western Addition matters.

President King announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

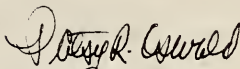
Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Blocks 1 and 2 in Yerba Buena Center with Marriott.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Wartelle that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

October 30, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF SEPTEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:15 o'clock p.m. on the 25th day of September, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Haig G. Mardikian
V. Fei Tsen

and the following were absent:

Sonia Bolanos
Gary Kitahata
Paul Wartelle (Arrived 4:20 p.m.)

The President declared that a quorum was present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Jane Graf, Catholic Charities; Harold Kaufman, Bush Street Synagogue; Ocie Mae Rogers; Robin Day and Norma Planiczka, Bernal Heights East and South Slope Committee.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Executive Director Edward Helfeld is on vacation this week and will return to the office on October 1.
- (b) Bill Rumpf, Chief of Housing, is the proud father of a new baby boy born on September 18.
- (c) September 21 was the deadline for proposals in response to the Agency's offering for Site F in Rincon Point-South Beach for either commercial and/or housing development. No proposals were received that responded to the criteria set forth in the offering. An alternative proposal was received which staff is reviewing and will consider along with other options that may be available for the disposition of the site, given the lack of response to the offering.

Minutes of a Regular Meeting, September 25, 1990

- (d) The Second Annual Affordable and Safe Housing Fair was held on September 22 in the Civic Center Plaza. The Agency as well as the Mayor's Office of Housing, the Housing Authority and HUD were among 80 other non-profit and commercial organizations participating in workshops, seminars, booths and resource directories. A special pavilion was devoted to Earthquake Safety and Preparedness.
- (e) Responses were due September 24 to the Request for Qualifications for an Architect for the Children's and Recreational Facilities on CB-3 in Yerba Buena Center. Twenty-five responses were received and staff is in the process of selecting the short list, which will be shared with the Commission.
- (f) CALA Foods, Inc. is having a Grand Opening preview of their new market in Oakland on September 25 from 5 to 8 p.m. at 7000 Bancroft Avenue.
- (g) The Request for Proposals for the Third Street corridor study is due on September 28 at noon. Forty-nine packets have been requests from prospective consultants.

Mr. Wartelle arrived at this time, 4:20 p.m.

- (h) Caltrans surplus land inquiry memorandum was sent to the Commission on September 21 in regard to the letter the Agency has sent in response to their offer to sell surplus land at 150 Oak Street. At this point, staff is trying to obtain price information and will keep the Commission informed.
- (i) Leamon Abrams, Chief of Economic Development, is in Chicago this week, which is in regard to the Kellogg Foundation Study, to meet with a successful economic development program provider to learn more about community economic development. When Mr. Abrams returns he will provide a report to the Commission.
- (j) On September 24, the Board of Supervisors continued for one week the resolution amending the Hunters Point Survey Area boundaries to include the property at 345 Williams Avenue that is proposed to be used for a supermarket.
- (k) The Agency's offices are moving this week and will be in the new offices at 770 Golden Gate Avenue effective October 1. An Agency meeting will not be held on October 2. The next regular meeting will be on October 9 at 4:00 p.m., at 770 Golden Gate Avenue, Third Floor Commission Board Room.
- (l) Mr. Suttle gave a status report on affirmative action in the Fillmore Center in the Western Addition A-2.
- (m) Item (f) on the agenda is listed as not being heard before 5:00 p.m. If the agenda is completed before that time, it is suggested the Closed Sessions be held.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot indicated that a meeting had been held at the Mayor's Office on September 24 regarding the Real Estate Property Transfer Tax and continued support of that item is needed.
- (b) Mr. Bagot inquired regarding Peat Marwick Main & Company's ability to sign the South African Divestment Affidavit and Robert Gamble, Deputy Executive Director, Finance, indicated that the firm have been auditors for the City and the Agency for ten years and the contract will go out to bid next year.
- (c) Mr. Bagot inquired regarding surplus land for sale by Caltrans at 150 Oak Street and Mr. Suttle indicated that staff is trying to obtain price information.

UNFINISHED BUSINESS

- (a) Mr. Suttle introduced item (a), which requests authorization of an Agreement for Disposition of Land for Private Development with the Bush Street Synagogue Cultural Center for the purchase and rehabilitation of 1881 Bush Street and the purchase and development of 1889 Bush Street and the purchase and development of 1889 Bush Street located at the southeast corner of Bush and Laguna Streets in the Western Addition A-2. It is recommended this item be continued to the meeting of October 9, 1990 at the request of the Developer.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), UNFINISHED BUSINESS, RESOLUTION NO. 236-90, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 9, 1990 AT THE REQUEST OF THE DEVELOPER. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Suttle introduced item (b), which requests authorization of a \$800,000 loan to Catholic Charities of the Archdiocese of San Francisco for the development of 100 senior and family rental units at 111 Jones Street as part of the City-wide Tax Increment Program. In August 1990, the Mayor's Office of Housing and the Agency issued a Notice of Funding Availability for the Rental Housing New Construction Program, under which the Agency set-aside funding of \$1.5 million. Total estimated development cost is \$14.3 million. Financing applications have been submitted to the State's Rental Housing Construction Program and the Tax Credit Allocation Committee in the amounts of \$5.670 million and \$7.830 million respectively and, if these commitments are received, construction could begin by June 1991. The rents charged for the units have been structured to make the project very competitive during the State application review processes. The project consists of an eight-story concrete framed building with two levels of parking and includes a day care center and community space for neighborhood use. Sixty-four units will be offered to seniors and thirty-six to families. The TIPH Loan Committee has approved this loan subject to: re-examination and approval of the design; successful award of State funds; and a determination by the Agency Commission that the project is consistent with the Agency's Mission Statement.

Jane Graf, Catholic Charities requested approval of item (b). She described the proposal to develop the whole block and indicated Catholic Charities would work with the other developer, particularly with regard to open space and day care.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-90 BE ADOPTED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Third Amendatory Agreement, which revises the performance dates of the Agreement for Disposition of Land for Private Development with Fillmore Renaissance Associates for Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets; Western Addition A-2.

Mr. Suttle noted that staff memorandum incorrectly stated that this a rental project when it actually consists of condominiums.

- (b) Authorizing a Ninth Amendatory Agreement, which amends the allowed development costs to the Agreement for Disposition of Land for Private Development with WDG-IV Westwood Condominiums for Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets; Western Addition A-2.
- (c) Authorizing the Amendment of Loan Agreements and Resolutions for various Rehabilitation Loan Programs.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (c), RESOLUTION NUMBERS 251-90, 252-90 AND 253-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (d) Mr. Suttle introduced item (d), which requests authorization of a Fifth Amendment to the Architecture Agreement with James Stewart Polshek and Partners for the design of the Yerba Buena Gardens Theater in Yerba Buena Center. The amendment provides additional services funds to: revise the Preliminary Construction Documents for those portions of the Moscone Exit Stairs which are integral to the theater; and complete Final Construction Documents and certain Moscone coordination items. The Amendment revises the performance schedule in accordance with these changes and provides for completion of final construction documents by September 28, 1990, allowing construction to commence when the roof of the Moscone Convention Center is ready next Spring. It increases the amount payable by \$116,500 for a total contract amount of \$1,733,500 and stipulates that these amounts will settle all claims for additional services through the final construction documents phase and for bid and construction work. The firm's affirmative action program is considered acceptable.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-90 BE ADOPTED.

- (e) Mr. Suttle introduced item (e), which requests authorization of a Sixth Amendment, which designates Houston Conwill as Artist for the Martin Luther King, Jr. Memorial, provides \$30,000 for designing the Memorial and makes related changes to the Architecture Agreement with MGA Partners in connection with Yerba Buena Gardens in Yerba Buena Center. Subsequent to authorization of \$6,000 to assist in the selection of an artist to design the Memorial, four nationally prominent artists were interviewed, resulting in the selection of Houston Conwill who has extensive experience in public space. MGA Partners, the Esplanade Architect, and Mr. Conwill will collaborate over a six week period to produce a design for the art work by the end of the Preliminary Construction Documents phase scheduled for mid-November 1990. The requested amount of \$30,000 will include all artist's fees and expenses and architectural services. The proposed amendment also adds language to the architectural contract to clarify ownership and maintenance of the art work and to update the contract's performance schedule and affirmative action provisions to accounts for the new work. Details of MGA Partners' affirmative action program have been provided to the Commission.

Commissioners Tsen and Wartelle noted their concern about reviewing the preliminary design before it is completed and William Garney, Staff Architect, noted that an opportunity will be provided for Commission review during the design process.

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE COMMISSION ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) L. Harris noted her concern at the Affordable Housing Fair closing early and Mr. Suttle indicated he would pass this on to the appropriate authorities.

President King announced that the meeting would be recessed to a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Blocks 1 and 2 in Yerba Buena Center. The entity with whom the Agency negotiator may negotiate with is Marriott.

The meeting recessed at 4:50 p.m. and reconvened at 5:20 p.m. with the following roll call:

Leroy King, President
Buck Bagot, Vice President
Haig G. Mardikian
Paul Wartelle

- (f) Mr. Suttle introduced item (f), which requests consideration of conditions requested by the Bernal East and South Slope Project Area Committee regarding their desire to restrict any future development from occurring in existing public rights-of-way. In January 1990, an amended policy dealing with community

Minutes of a Regular Meeting, September 25, 1990

participation in the further planning and implementation of a Community Plan was adopted by the Commission and transmitted to the Board of Supervisors with the Revitalization Feasibility Report for their consideration. The matter was tabled in April 1990 by the Economic and Social Policy Committee of the Board pending resolution by the Agency Commission of seven conditions which were considered at the Agency meetings of June 26 and July 10, 1990. The outstanding condition concerning community veto power has subsequently been resolved. However, the Committee has requested consideration of agreement reached at the July 10 meeting that any development in the public right-of-way would follow the adopted City standards for Bernal Heights, which would preclude any development in inused public rights-of-way except in Esmeralda Street. The Committee feels that Esmeralda Street should also be added to this prohibition.

Mr. Wartelle noted his potential conflict of interest because he lives within a certain distance of the project area and indicated he would abstain from voting on this item.

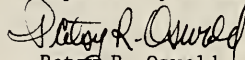
It was the consensus of the Bernal Heights Committee that because of the lack of a quorum to vote on this item, it be continued to the meeting of October 9, 1990 and that it be heard at 5 p.m.

President King announced that there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located on Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center. The entity with whom the Agency negotiator may negotiate with is YBG Associates.

ADJOURNMENT:

It was moved by Mr. Bagot, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations. The meeting adjourned at 5:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

October 30, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF OCTOBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of October, 1990, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Gary Kitahata
Haig G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following were absent:

Leroy King, President
Sonia S. Bolanos

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Lloyd Gowen, San Francisco Go Club; Ocie Rogers; Ace Washington, WAPAC; Ken Miller, Miller Associates; Dr. R.A. McCoy, Future Perfect, Inc; Yvette McCoy, Progress Seven, Inc; Kim Jackson and Jack Gibbon, H.E.R.E. Union Local 2; Katherine Nash, WANA; Brett Lowart, Sacred Heart Cathedral Preparatory School; Norma Planiczka and Terry Milne, Bernal Heights East and South Slope Project Area Committee.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) This opportunity is taken to welcome the Commissioners and public to the Agency's new offices.
- (b) Re-appointments of Commissioners King and Tsen to the Agency Commission by the Mayor have been referred to the Board of Supervisors' Administration and Oversight Committee which will meet on October 23, 1990.
- (c) The Commissioners have been provided with a copy of the Mayor's State of the City Address.

- (d) The Homeless Shelter at 692 Bryant Street is before the Board of Supervisors today for a second reading to appropriate money for purchase of this property.
- (e) Notice was sent out indicating that a discussion will be held at the October 23 Agency meeting on the Golden Gateway Landing Development proposal by Perini Land Corporation. This item will not be held before 5:30 p.m.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Upon inquiry from Ms. Tsien, Gene Suttle, Senior Deputy Executive Director, indicated that the Developer of the Fillmore Center has advised that children are only allowed to use the swimming pool when a lifeguard is on duty because of the liability involved. Ms. Tsien requested staff to discuss with the Developer, children being allowed to use the pool if accompanied by an adult who has signed a waiver.
- (b) Mr. Bagot indicated he would like to discuss the status of the Real Estate Property Transfer Tax.
- (c) Mr. Bagot noted his pleasure at a letter received from BRIDGE commending staff for their assistance in successfully completing applications to the State for the financing of five affordable housing projects, two of which were for the Agency's Site K property in Rincon Point-South Beach.
- (d) Mr. Bagot indicated he did not want the Request for Proposals for the Third Street Corridor Study to be held up as requested by Harold Brooks.

UNFINISHED BUSINESS

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), which requests authorization of the Sale of Residual Assets from the Opera Plaza Mortgage Revenue Bonds to Meridian Bank for \$2.2 million and authorization for the Executive Director to make necessary changes in the Purchase Contract prior to closing of the sale. This bond issue was undertaken by the Agency in 1980 using a financing technique accomplished under financial assumptions which were reasonable at the time but are now more conservative than necessary and contribute to an excess or residual value in the bonds. In addition to the of \$2.2 million generated, the sale of the residual assets will release an accumulation reserve sub-account in an approximate amount of \$600,000. Transaction costs to be taken out of the gross proceeds amount of \$200,000. Additionally, the Agency is required to pay the developer of Opera Plaza a stream of revenue representing 50 percent of the accumulation reserve sub-account up to \$925,000 which is estimated at \$625,000 which reduces the net proceeds to approximately \$1.975 million. Although not a part of the formal action before the Commission today, it is recommended that these proceeds be held in reserve to assist in resolving the South Beach Harbor's financial situation.

A discussion ensued between the Commissioners and Mr. Gamble regarding the transaction, following which it was the consensus of the Commission that the resolution be adopted subject to staff negotiating strongly to have the transaction costs reduced.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-90 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS (Continued)

- (e) At the request of Mr. Bagot, Robert Gamble, Deputy Executive Director, Finance, gave a report on the financial status of the South Beach Harbor in Rincon Point-South Beach and measures being taken to mitigate the problems.

After a discussion between the Commissioners and staff, the Commissioners instructed staff to make a full report on the South Beach Harbor operations.

Ms. Tsen requested a staff report on where the people who lease berths at the harbor reside.

UNFINISHED BUSINESS (Continued)

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Agreement with the Bush Street Synagogue for the purchase and rehabilitation of 1881 Bush Street and the purchase and development of 1899 Bush Street in the Western Addition A-2. The Developer proposes to rehabilitate a City Landmark building at 1881 Bush Street and develop the adjacent property at 1899 Bush Street for a combined development of a Jewish Cultural Center. Exclusive negotiation requirements have been complied with and the Developer will proceed with fundraising efforts which will be monitored by its submission of interim evidence of equity capital and financing for the development. The Developer feels that a Land Disposition Agreement will demonstrate to potential contributors that the proposed development will accelerate the fundraising process. At a public hearing on September 11, 1990, members of the San Francisco Go Club requested postponement of consideration of an LDA until space in the development for the Club is assured. Agreement has been subsequently reached between the Developer and the Club that when the Schematic Drawings are presented to the Commission, the Go Club will have an opportunity to express its position regarding the design and the terms under which the desired space is made available. Requests were also received for postponement of consideration of an LDA by Mark Ryser of the Foundation for San Francisco's Architectural Heritage and by Steven Swig, a Board Member of the Developer in order to review a proposed conservation easement for the facade which provides a method to preserve the historical and architectural character of the Landmark Building. It is therefore proposed to include language in the LDA to provide for the easement requirement. The performance schedule calls for submission of evidence of financing by December 18, 1991 and conveyance of the site by February 12, 1992.

Ace Washington, WAPAC, requested participation by community residents in the project.

Lloyd Gowen, San Francisco Go Club, indicated he is looking forward to reaching agreement with the Developer.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests consideration of conditions requested by the Bernal Heights East and South Slope Project Area Committee regarding their desire to restrict any future development from occurring in existing public rights-of-way. In January 1990, an amended policy dealing with community participation in the further planning and implementation of a Community Plan was adopted by the Commission and transmitted to the Board of Supervisors with the Revitalization Feasibility Report for their consideration. The matter was tabled in April 1990 by the Economic and Social Policy Committee of the Board pending resolution by the Agency Commission of seven conditions which were considered at the Agency meetings of June 26 and July 10, 1990. The outstanding condition concerning community veto power has subsequently been resolved. However, the Committee has requested consideration of agreement reached at the July 10 meeting that any development in the public rights-of-way would follow the adopted City Standards for Bernal Heights, which would preclude any development in unused public rights-of-way except in Esmeralda Street. The Committee feels that Esmeralda Street should also be added to this prohibition.

Mr. Bagot noted his conflict of interest because he is purchasing a home in Bernal Heights and indicated he would abstain from voting on this item.

At this time Acting President Bagot turned the Chair over to Mr. Mardikian, 5:15 p.m.

Mr. Wartelle noted his potential conflict of interest because he lives within a certain distance of the project area and indicated he would abstain from voting on this item.

Norma Planiczka and Terry Milne, Bernal Heights East and South Slope Project Area Committee requested the Commission vote and make a decision on this matter today.

MOTION IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND CARRIED, WITH MR. BAGOT AND MR. WARTELE ABSTAINING, THAT AGREEMENT REACHED AT THE JULY 10, 1990 AGENCY MEETING THAT ANY DEVELOPMENT IN THE PUBLIC RIGHTS-OF-WAY WOULD FOLLOW THE ADOPTED CITY STANDARDS FOR BERNAL HEIGHTS, WHICH WOULD PRECLUDE ANY DEVELOPMENT IN UNUSED PUBLIC RIGHTS-OF-WAY EXCEPT IN ESMERALDA STREET.

At this time, Mr. Mardikian turned the Chair back to Mr. Bagot, 5:30 p.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an Owner Participation Agreement (OPA) with The Roman Catholic Welfare Corporation of San Francisco in connection with the clearance and development of Lots 20, 21 and 22 in Assessor's Block 735 located at the northwesterly corner of Gough and Eddy Streets in the Western Addition A-1. The Owner proposes to demolish the existing vacant building located on the property and construct a practice athletic field and related facilities to be utilized by the students of the adjacent Sacred Heart Cathedral Preparatory School. The performance schedule calls for commencement of construction within 30 days after issuance of a building permit and completion within twelve months after commencement.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Exclusive Negotiations, until December 7, 1990, with Kenneth S. Miller for the purchase, move and rehabilitation of the Pier 42 Bulkhead Building in Rincon Point-South Beach. Since 1989, the Agency has been under an order issued by the Bay Conservation and Development Commission (BCDC) to remove the Bulkhead Building from its present location. In the interim, BCDC has granted several extensions of time to facilitate relocation of the building out of its jurisdiction, however, three sale offerings proved unsuccessful. The most recent extension, which is to accommodate Mr. Miller's proposal to relocate the building to a vacant site at 8th and Townsend for a marketplace type of development, allows to May 6, 1991 to move the structure, subject to a purchase agreement being entered into by December 20, 1990. Mr. Miller, an attorney by profession, has developed both new and renovated facilities on the east coast for specialized medical equipment and formed investor groups for these projects. He indicates discussions have been held with a number of potential investors in this project. Toby Levy, who has considerable renovation experience in San Francisco, would be the architect for this project. The resolution requires submission of all the pre-purchase agreement materials set forth in the March 22, 1990 Request for Proposals by December 7, 1990.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-90 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization to amend the date for Close of Escrow/Conveyance of Site to the Agreement for Disposition of Land for Private Development with

Future Perfect, Inc. with respect to Parcel AA-2 in Hunters Point.

- (b) Mr. Helfeld introduced item (b), which requests authorization to amend the date for Close of Escrow/Conveyance of Site and allowing the expenditure of funds for closing costs in the Agreement for Disposition of Land for Private Development with Progress Seven, Inc. with respect to Parcel EE-1 in Hunters Point.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THESE ITEMS AROSE AFTER POSTING OF THE AGENDA ON OCTOBER 5, 1990.

After discussion between the Commissioners, Staff and the Developers, the Commissioners instructed staff to provide a report on the original transaction as they were concerned that the Agency would be paying closing costs for the developer.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-90 BE ADOPTED.

MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Kim Jackson, H.E.R.E. Union Local 2, requested that upon completion of negotiations with Marriott, all documents be made available to the public and adequate time be provided to study them.

David Madway, Agency General Counsel indicated that the Agency could not make a commitment on releasing documents or advance availability of documents, but would provide as much time as possible for public review and comment.

Acting President Bagot announced that there will be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities with whom the Agency negotiator may negotiate are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Blocks 1 and 2 in the Yerba Buena Center with Marriott;

Southeast corner of Post and Gough Streets in the Western Addition A-1 with Ou Interest; and

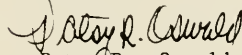
225-227 Shipley Street, 229-231 Shipley Street and 233-235 Shipley Street in the South of Market Earthquake Recovery Redevelopment Project Area with Jeff Burgess.

Minutes of a Regular Meeting, October 9, 1990

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

November 20, 1990

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF OCTOBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:10 o'clock p.m. on the 16th day of October, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Gary Kitahata
Haig G. Mardikian

and the following were absent:

Sonia Bolanos
V. Fei Tsen (Arrived 4:20 p.m.)
Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Daphne Griffin, Emma Holley and Nancy Russell and Jaques Kaswan, Tennessee Street Housing Corporation; E.J. Barron, Tenderloin Neighborhood Development Corporation; Mary Ann Dillon; Mission Housing Development Corporation; and Brett Gladstone, representing Nolan Frank.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On October 17, 1990, the Finance Committee of the Board of Supervisors will consider the City executing an Assignment of Purchase Option Agreement with the Agency to acquire 1001 Polk Street.
- (b) On October 17, 1990, at 2:00 p.m., the Finance Committee will also consider the proposed Real Estate Property Transfer Tax increase.
- (c) At the October 23, 1990 meeting there will be a report on the Golden Gateway Landing development proposal by Perini Land Corporation. This item will not be heard before 5:30 p.m.

Minutes of a Regular Meeting, October 16, 1990

- (d) On October 24 at 11:00 a.m., the Mayor will hold a ceremonial signing of the Memorandum of Understanding with Cala foods for the supermarket to be built at 345 William Avenue in the South Bayshore area.
- (e) With regard to proceeding with improvements at Fisherman's Wharf, the Mayor has determined that the Port of San Francisco should take the lead and the Citizens Advisory Committee will be notified of this by Deputy Mayor Brad Paul.
- (f) The Commissioners have been provided with a report on the Housing Affordability Program for sites designated for development in the Hunters Point Project Area.
- (g) The Commissioners have been provided with a report from Operation Sentinel and copies have also been sent to six developers with a request that a meeting be held with Agency staff to discuss the problems identified therein prior to the October 23 Agency meeting when Operation Sentinel will make a presentation to the Commission.

Ms. Tsen arrived at this time, 4:20 p.m.

- (h) The City Planning Department has issued a report entitled "Changes in San Francisco Housing Inventory 1989. Included in the report is a section entitled " Major New Residential Projects" under which the Planning Department indicated this is the best year the City has had for a long time. Out of total of 4,477 dwellings, the Redevelopment Agency was instrumental in producing 80 percent, 31 percent of which are affordable.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot reported on the status of two federal legislative matters: a portion of the National Affordable Housing Act dealing with federally subsidized low income at-risk projects; and low income housing tax credits.
- (b) Mr. Bagot requested support for the Real Estate Property Transfer Tax increase which will be before the Finance Committee of the Board of Supervisors at 2:00 p.m. on October 17.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of the issuance of \$23 million of Tax Increment Bond Sales and Loan Agreements between the Agency and the Joint Powers Authority providing for repayment of the debt for funding of Budget for Fiscal Year 1990-1991. It is requested this item be continued to the meeting of October 23, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 260-90, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 23, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to re-enter into Exclusive Negotiations with San Francisco Associates Development Group, until January 16, 1991, for the development of Parcel 1100-T located at the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2. Subsequent to the expiration of Exclusive negotiations in March 1990, staff recommends that re-entry be authorized on the condition that Robert T. Luster be designated as the Managing General Partner and maintains a significant equity interest in the project. The Development Team has agreed to another re-organization of the partnership to accommodate this arrangement. In addition, the Developer has committed to make a two-bedroom unit available to Nolan Frank at a significant discount from market value and Mr. Frank has accepted this offer.

Ms. Tsen noted her conflict of interest because she is a property owner within the vicinity of the project and indicated she would abstain from voting on this item.

Ace Washington, WAPAC, requested action on item (b) be postponed.

President King noted his support of this project.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND CARRIED, WITH MS. TSEN ABSTAINING, THAT RESOLUTION NO. 261-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to expend \$15,000 for a contract with Recht Hausrath Associates to undertake an Economic Feasibility Study for the Central Block 1 (CB-1) Office Building in Yerba Buena Center. Concern has been raised during the process of preparing the Mello Roos bond issue based on the land sale of the CB-1 Office Parcel to Olympia & York regarding the Agency's obligation to properly disclose the impact of an exercise of the right of reverter on the bond issue. The proposed study is considered necessary in order to provide proper disclosure to the bond buyers and it needs to be completed within the next six weeks to permit it to be included in the bond documents. Recht Hausrath is a woman-owned firm which currently has no minority employees but has pledged to make efforts to recruit from minority student associations and in minority communities. The firm has provided satisfactory services to the Agency in connection with Fisherman's Wharf and maintains up-to-date information on the San Francisco office market.

Mr. Kitahata requested that approval be conditioned upon the cost of the contract being reimburseable out of the bond fees.

Ms. Tsen requested approval be conditioned upon the firm's commitment to use its best efforts to hire minorities.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-90, AS AMENDED, BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for Agency staff to negotiate for the acquisition of parcels located at 225-227, 229-231 and 233-237 Shipley Street in the South of Market Earthquake Recovery Redevelopment Project Area. During this fiscal year the Agency has been allocated \$4 million for housing development activities and it is anticipated three or four significant residential developments could be initiated with these funds. The Shipley Street parcels are located near Fifth Street and include five adjacent parcels and three different owners. If acquired, it is anticipated that the existing structures would be demolished in favor of new construction. The Project's Citizens Advisory Committee (CAC) has indicated that the highest housing replacement priorities are: new construction of a single-room occupancy residential hotel (SRO); rehabilitation of an existing SRO; and development of family housing units. Appraisals have been completed to determine fair market value of the properties and upon authorization from the Commission, staff will proceed with negotiations for their acquisition. If agreement is reached staff will seek Commission approval of purchase agreements at a public meeting.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 263-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a loan, in an amount not to exceed \$275,000, to Mission Housing Development Corporation (MHDC) for the acquisition of a six unit structure at 3019 23rd Street as part of the City-wide Tax Increment Housing Program (TIHP). MHDC responded to a Notice of Funding Availability for the Rental Housing Acquisition and Rehabilitation Program issued in August 1990 by the Agency and the Mayor's Office of Housing. The application has been approved by the TIHP Loan Committee with the recommendation that the loan be contingent upon MHDC applying for State funds. In addition, a determination needs to be made by the Agency Commission that the project is consistent with the Agency's Mission Statment. Although the appraised value of the building is approximately \$450,000, a purchase price of \$250,000 has been accepted by the Executor of the estate and is pending probate court confirmation. A \$275,000 acquisition loan is being requested in the event a third party overbids MHDC in court. The Developer proposes to acquire and rehabilitate this six-unit apartment building which is occupied by low-income tenants who will remain in the building during and after rehabilitation.

Mary Ann Dillon, Mission Housing Development Corporation, requested approval of item (e).

- (f) Mr. Helfeld introduced item (f), which requests authorization of a \$276,520 loan to the Tenderloin Neighborhood Development Corporation (TNDC) for the rehabilitation of the Aarti Hotel located at 391 Leavenworth Street as part of the City-wide Tax Increment Housing Program. TNDC owns this 40 unit single room occupancy (SRO) building which is 100 percent affordable to very low income people. The Sponsor will provide temporary relocation

as necessary, funds for which are included in a request for State funding. Total cost for rehabilitation is \$876,520 and an application for State funding has been submitted in an amount of \$600,000. The proposed rehabilitation will address cited fire safety violations and complete the seismic retrofit of the structure. The TIHP Loan Committee has approved this loan contingent upon a commitment of funds from the State and increased funding of project reserves. A determination by the Agency Commission is also required that the project is consistent with the Agency's Mission Statement.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a \$300,000 loan to the Tenderloin Neighborhood Development Corporation (TNDC) for the rehabilitation and refinance of 44 McAllister Street as part of the City-wide Tax Increment Program. TNDC currently owns this building which is a Single Room Occupancy hotel containing 209 units at rents affordable to a one-person household earning 35 percent of the median income. A \$1 million note on the property is due and must be refinanced as the lender is demanding payment. Rehabilitation work will include upgrading of fire safety systems, seismic bracing and major replacements. TNDC is applying for State funds for both the financing and rehabilitation. The TIHP Loan Committee has approved the loan contingent upon a commitment of funds from the State Housing Rehabilitation Program and adequately funded project reserves. The Agency Commission also needs to make a determination that the project is consistent with the Agency's Mission Statement.

E.J. Barron, Tenderloin Neighborhood Development Corporation, requested approval of items (f) and (g).

- (h) Mr. Helfeld introduced item (h), which requests authorization of a \$117,000 loan to Tennessee Street Housing Corporation (TSHC) for the acquisition and rehabilitation of six units at 712 Tennessee Street as part of the City-wide Tax Increment Housing Program. The existing residents of the building have formed the corporation to purchase the building for a price of equal to the unpaid portion of an outstanding loan, equal to \$119,000. Total development costs are estimated at \$292,541 and when the rehabilitation work is completed, TSHC will manage the property as a Limited Equity Cooperative. The post-rehabilitation rent rates are considered affordable to very low income households as defined by Agency policy. The application has been approved by the TIHP Loan Committee subject to TSHC receiving an interim financing commitment from The Low Income Housing Fund and TSHC agreeing to perform an independent management audit on an annual basis. A determination also needs to be made by the Agency Commission that the project is consistent with the Agency's Mission Statement.

Nancy Russell, Emma Holley and Jaques Kaswan, Tennessee Street Housing Corporation requested approval of item (h).

Mr. Kitahata suggested the resolution language for items (e), (f), (g) and (h) be amended and instead of authorizing execution of a loan, authorization be granted to execute a loan or any other financing instrument that staff determines will best leverage Agency funds.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 264-90, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 265-90, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 266-90, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (h), RESOLUTION NO. 267-90, AS AMENDED, BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization to expend \$30,000 for Street Lighting in the vicinity of the Polk Street Homeless Multiservice Center. The Mayor's Office has requested Agency funding for street lighting in an effort to mitigate crime in the vicinity of the Center. \$30,000 is available from prior year close-outs of land sale revenues which can be used for this purpose. The Mayor's Office of Community Development will also provide additional funding of \$20,000.

President King noted his concern that people are loitering in the vicinity of the Center and it therefore appears promises made to the community and local businesses are not being kept. Mr. Helfeld indicated he would bring this to the attention of Deputy Mayor Brad Paul.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-90 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization to expend \$82,200 to purchase four computers and related equipment and software from various vendors. The Agency is currently in the process of computerizing its operations and a number of divisions have requested approval to purchase computers to assist in their efficiency and productivity. Funds are available from the individual division budgets for fiscal year 1991.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-90 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization of Honorarium and Travel Expenses in an amount not to exceed \$2,550 for William Strickland, Executive Director of the Bidwell Training Center in connection with Yerba Buena Center. The

Mayor's Central Block Policy Group recently requested the assistance of outside consultants to advise them on the program for the Children's Building. Mr. Strickland, the Executive Director of a successful vocational training center in Pittsburgh, Pennsylvania, participated for two days in meetings with the Mayor's Policy Group and the Children's Committee for CB-3 and shared his experience and knowledge.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-90 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS (Continued)

- (c) A discussion ensued between the Commissioners regarding Tax Exempt Bond sales and how that should be structured.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, spoke regarding matters pertaining to the Western Addition A-2.

President King announced that there will be thirteen Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities with whom the Agency negotiator may negotiate are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Blocks 1 and 2 in Yerba Buena Center with Marriott;

336-338 Fifth Street, 342 Fifth Street, 348-350 Fifth Street Street, 215-217 Shipley Street, 219-221 Shipley Street with Charles T. Fetterman; and;

195 Seventh Street with William L. Ferdor III; and

185 Seventh Street with Alphonsine V. Gralou; and

173 Seventh Street with Florence Meyer and Pearl Stock; and

169 Seventh Street, 591 Natoma Street with L.J. Janiszewski; and

585 Natoma Street, 583 Natoma Street with Motels of San Francisco, Inc.; and;

475-477 Tehama Street with Charles Gibbs, Jr.; and

479 Tehama Street with Dominic and Alma Tassio; and

481-483 Tehama Street with Donald Tarantino and Peter Blake; and

485-487 Tehama Street with Daniel and Mary Patterson; and

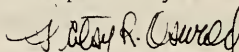
Minutes of a Regular Meeting, October 16, 1990

900-924 Folsom Street with 900 Folsom Street Partnership.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to thirteen Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:20 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

November 20, 1990

SF
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10/23/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF OCTOBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City and County of San Francisco, California at 4:05 p.m. on the 23rd day of October, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Gary Kitahata
Haig G. Mardikian
V. Fei Tsen

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and the following were absent:

Buck Bagot, Vice President (Arrived 4:10 pm)
Sonia Bolanos
Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Daphne Griffin, Neighborhood Employment Works; Shirley Jones, President of the Board of Directors, Young Community Developers; Carolyn Morris-Shumpert and Lorena Canas-Montano, Webster Tower and Terrace; Stan Smith, Board Member, Young Community Developers; Ocie Mae Rogers; Michael Doelger, Lincoln Property Company/St. Francis Place; Katherine Nash, WANA; Richard Allman, Independent Housing Services; Esther "b" Woeste; Eula Walters; Willie Ratcliff; Lamar Johnson, President, Golden Gateway Tenants Association; Tom Flowers; John Lu; Nicholas Dempsey, Cala Foods; Ethel Garlington; Cindy Hardwick, Operation Sentinel; Hank Baker, Bayside Village Associates; Bob Davis, Fillmore Center; and Barbara Kane, South Beach Marina Apartments.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of June 26, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of June 5, 1990, as distributed by mail to the Commissioners, be approved.

Minutes of a Regular Meeting, October 23, 1990

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of June 12, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of June 19, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of June 26, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On October 24 at 11:00 a.m., there be a signing of the Memorandum of Agreement between the Agency and Cala Foods, Inc. for the Hunters Point supermarket in the Mayor's Office.
- (b) Ground breaking ceremonies were held on October 23 for the Cala site on Sutter between Franklin and Gough called the Peter York Towers, which will also include a substantial number of housing units.
- (c) Leroy King and Fei Tsen were before the Administration and Oversight Committee on October 23 and will be before the full Board of Supervisors on October 29 with a swearing-in to be held shortly thereafter.
- (d) The Real Estate Property Transfer Tax increase scheduled for consideration by the Board of Supervisors on October 23 has been rescheduled to October 29, 1990.

Mr. Bagot arrived at this time, 4:10 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of Tax Increment Bond Sales and Loan Agreements between the Agency and the Joint Powers Authority providing for repayment of the debt. It is requested this item be continued to the meeting of October 30, 1990.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 260-90, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 30, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorization to extend Exclusive Negotiations, until November 21, 1990, with Harrison Development, Inc. for the development

of Parcel 3763-A located on the southeast corner of Third and Harrison Streets in Yerba Buena Center.

- (b) Authorizing payment of insurance premiums estimated at \$45,382 for the South Beach Harbor in Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT CONSENT ITEMS (a) AND (b), RESOLUTION NUMBERS 271-90 AND 272-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Memorandum of Understanding (MOU) with Cala Foods, Inc. indicating Cala's intentions to enter into a lease for the development and operation of a full service supermarket at 345 Williams Avenue located at the southeasterly corner of Williams Avenue and Phelps Street in the South Bayshore area of San Francisco. Subsequent to acquisition of the site in September 1990, staff has negotiated an MOU with Cala which, although not legally binding, provides a framework for the preparation of a property lease which will require Commission approval. Terms of the MOU include: a ten year lease with six renewable option periods of five years each; specific minimum rental provisions; remodelling of the existing facility and parking lot at Cala's expense; compliance with the Agency's affirmative action requirements; and compliance with all non-discrimination provisions of the San Francisco Administrative Code and with the Agency's South Africa Policy.

The following persons spoke in support of item (c): Shirley Jones, President of the Board of Directors, Young Community Developers; Stan Smith, Board Member, Young Community Developers; Harold and Gladys Madison; Nicholas Dempsey, Cala Foods; Ethel Garlington; and Willie Ratcliff.

The speakers noted that they would like to see Young Community Developers involved in the training process.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Seventh Amendment to the Record Architect Agreement with Robinson Mills and Williams and Maki Associates to prepare a separate steel bid package for the structural steel needed to construct the Visual Arts Building in Yerba Buena Center. The steel is expected to take approximately five months to be fabricated and the Agency's Construction Manager, Turner Construction, has recommended an early issuance of the bid to take advantage of the currently favorable bidding climate and to assure construction can start upon completion of the Moscone Convention Center roof which is scheduled for June 1991. The amendment increases the amount payable by \$30,000

for a total contract amount of \$1.853 million. The affirmative action performance of Robinson, Mills and Williams has been found acceptable.

The Commissioners noted their concern regarding the affirmative action performance of Robinson, Mills and Williams and requested arrangements be made for a representative from that firm to appear before the Commission at the October 30 meeting.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (d), RESOLUTION NO. 274-90, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 30, 1990. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Mr. Helfeld introduced item (e), which requests authorization for staff to negotiate for the acquisition of 17 parcels, all located in the South of Market Earthquake Recovery Project area. During this fiscal year, the Agency has been allocated \$4 million for housing development activities and it is anticipated three or four significant residential developments could be initiated with these funds. The Project's Citizens Advisory Committee and the Commission have been provided with details on the overall planned acquisition; financing and development strategy for the Project. Appraisals have been completed to determine fair market value of the properties and upon authorization from the Commission, staff will proceed with negotiations for their acquisition. If agreement is reached, staff will seek Commission approval of purchase agreements at a public meeting.

ADOPTION: IT WAS MOVED BY Mr. Mardikian, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), the purpose of which is for Operation Sentinel to report on the results of Fair Housing Monitoring of Tax Exempt Bond Financed Projects located within Redevelopment Project areas. The Agency contracted with Operation Sentinel for provision of fair housing monitoring and training services in connection with these projects. Tests were conducted to monitor for racial discrimination and availability and distribution of below market rate information. Subsequent to providing the owners of the six projects with a full report, staff and Operation Sentinel has held meetings with all developers who have been requested to attend this meeting with a written indication of how they propose to correct problems found at their complex.

Cindy Hardwick, Associate Director, Operation Sentinel, described the process used to audit the six Redevelopment areas and the method of identifying affirmative marketing policies of the developments, particularly with regard to below market rate units. She also summarized the test results from the various developments.

The following persons spoke regarding item (f): Hank Baker, Bayside Village Associates; Michael Doelger, Lincoln Property Company/St. Francis Place; Lorena Canas-Montano and Carolyn L. Morris Shumpert, Webster Tower & Terrace; Bob Davis, Fillmore Center; Barbara Kane, South Beach Marina Apartments and Richard Allman, Independent Housing Services.

The developers responded to questions from the Commissioners regarding their affirmative marketing efforts; advertising; and remuneration received by leasing agents.

The Commissioners indicated they were pleased to see corrective steps are being taken.

Mr. Helfeld indicated that staff would analyze letters received from the developers and report back to the Commission.

- (g) Mr. Helfeld introduced item (g), which defers action on Golden Gateway Center's proposal to develop up to 127 condominiums. Subsequent to receipt of this proposal in August, 1990, a decision has been made by the Mayor and Board of Supervisors to remove the elevated Embarcadero freeway which has resulted in a Multi-Departmental Task Force being formed to undertake an Urban Design Plan for the visual enhancement and better public utilization of the waterfront. The Plan will also provide specific guidelines for potential development of both public and private land adjacent to the Embarcadero as well as land in the present freeway rights of way which may be developed. It will be prepared with substantial community involvement and will be presented to the appropriate Commissions, the Mayor and Board of Supervisors. It is anticipated the Plan will take approximately 12 months to complete and it is therefore considered premature to take action on the Golden Gateway Landing proposal at this time.

The following persons spoke in support of deferring action on the Golden Gateway Center's proposal: Eula Walters; Esther "b" Woeste; Lamar Johnson, President, Golden Gateway Tenants Association; and John Lu.

Mr. Kitahata indicated that staff should take an active role in the Task Force and report back to the Commission on developments as they occur.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 276-90 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests authorization to accept a \$100,000 grant to the Agency from Building Industry Association of Northern California and to write a letter of appreciation. The October 1989 earthquake caused

extensive damage to affordable housing units in the South of Market area and this grant has been made to the Agency for the purpose of replacing affordable housing units lost in the South of Market area as a result of the earthquake.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY AROSE TO ACT ON THIS MATTER AFTER POSTING OF THE AGENDA ON OCTOBER 19, 1990.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 277-90 BE ADOPTED.

President King announced that there will be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Blocks 1 and 2 in Yerba Buena Center with Marriott; and

East side of Third between Hunt and Masset Place in Yerba Buena Center with San Francisco Museum of Modern Art; and

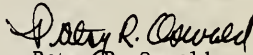
northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company.

There will also be a Closed Session pursuant to Government Code Section 54956.9 regarding the possibility of initiating litigation with respect to violations of non-discrimination provisions in certain Agency Land Disposition Agreements and Owner Participation Agreements.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to five Closed Sessions. The meeting adjourned at 6:10 p.m.

Respectfully submitted,


Patsy R. Oswald,
Agency Secretary

APPROVED

SF
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#4
12/30/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF OCTOBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco at 4:00 o'clock p.m. on the 30th of October, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia Bolanos
Haig G. Mardikian
V. Fei Tsen
Paul Wartelle

and the following was absent:

Gary Kitahata (Arrived 4:20 p.m.)
Buck Bagot, Vice President

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Katherine Nash, WANA/Rainbow; Fred Foote, Larry McEwan and Aldo Giurgola, MGA Partners; Sue Bierman, Friends of the Gardens; Harish Shah, Robinson, Mills and Williams; Houston Conwill, Architect for Martin Luther King, Jr. Memorial; and Michael Yovino-Young, Yovino-Young, Inc.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Real Estate Property Transfer Tax increase, before the Board of Supervisors on October 29 was defeated.
- (b) The reappointment of Leroy King and Fei Tsen as Agency Commissioners was approved by the Board of Supervisors on October 29. Swearing-in will be in the near future.
- (c) Staff has analyzed letters received from developers in connection with Operation Sentinel's Fair Housing Monitoring of Bond-Financed Projects in Redevelopment Areas. There is

still need for improvement and staff will report to the Commission on developments.

- (d) The Post International Project, which is being developed on the western portion of the block bounded by Post, Gough and Peter York Way, is making a presentation to the community on November 5 from 7:00 to 7:30 p.m. at the Cathedral Hill Hotel with an open question and answer session after. They have invited the property owners in the proximity of the site and the community for input concerning the building design and configuration.

NEW BUSINESS

President King indicated that at the request of Michael Yovino-Young, item (d) would now be taken up.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Second Amendment to the Personal Services Contract with Yovino-Young, Inc. for Acquisition Appraisal Services in connection with all Redevelopment Project Areas and outside Redevelopment Project Areas for affordable housing and economic development purposes. The ongoing services of this firm are required to continue the evaluation of various acquisition sites in San Francisco being considered for affordable and subsidized housing, mainly in the South of Market area. The amendment increases the amount payable by \$30,000 for a total contract amount of \$80,000. The firm's affirmative action program is considered acceptable.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-90 BE ADOPTED.

- (a) Mr. Helfeld introduced item (a), which is a workshop to provide information on the Design Progress of the Esplanade in the Yerba Buena Gardens of Yerba Buena Center. Subsequent to approval of the Schematic Design in June 1990, MGA Partners are well advanced in the preparation of the Preliminary Construction Documents and the completed documents are expected to be before the Commission for approval in November 1990.

William Carney, Staff Architect; Fred Foote and Aldo Giurgola, MGA Partners, made Design Presentations.

Mr. Carney indicated that the design has been reviewed by the Mayor; the Yerba Buena Gardens Cultural Board; members of the Martin Luther King, Jr. Memorial Committee; Olympia & York; the San Francisco Museum of Modern Art; City Planning; and Moscone Convention Center expansion staff.

Mr. Kitahata arrived during the design presentations, 4:20 p.m.

Houston Conwill presented the design for the Martin Luther King, Jr. Memorial.

Sue Bierman, Friends of the Gardens noted her concern that costs be kept within the budget and the hardness of the granite being used for the fountain.

Ms. Tsen indicated that she concurred with Ms. Bierman regarding the hardness on the face of the fountain.

Katherine Nash inquired regarding the involvement of the Martin Luther King Memorial Committee and Helen Sause, Project Director, Yerba Buena Center, indicated the Committee is providing quotations for materials for the memorial.

Mr. Wartelle requested staff present a summary at the November 6 meeting of the comments made by the various groups who have reviewed the design.

President King announced that the meeting would be recessed to a Special Meeting of the City and County of San Francisco Redevelopment Financing Authority. The meeting recessed at 5:25 p.m. and reconvened at 5:36 p.m. with the same roll call.

UNFINISHED BUSINESS

- (a) Robert Gamble, Deputy Executive Director, Finance, introduced item (a), which requests authorizing and directing the execution of Loan Agreements relating to the issuance of certain bonds in an amount not to exceed \$23 million by the City and County of San Francisco Redevelopment Authority, approving Final Official Statement relating to such bonds, authorizing and approving other matters properly relating thereto. In July 1990, the Board of Supervisors approved the Agency's budget for fiscal year 1990-1991 and authorized up to \$23 million of debt to finance a portion of that budget. The Joint Powers Authority is used as an intermediary between the Agency and the underwriters to accomplish the bond sales so that a single issuance of debt can be made on a pooled basis rather than a group from different project areas resulting in the appearance of a merged redevelopment issue. From an investor's view, this arrangement provides much better security and reduces the cost of the debt to the Agency.

Mr. Kitahata commended Mr Gamble and Mr. Rumpf for their efforts in restructuring of the bond issue.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Seventh Amendment to the Record Architect Agreement with Robinson Mills and Williams and Maki Associates to prepare a separate steel bid package for the structural steel needed to construct the Visual Arts Building in Yerba Buena Center. The steel is expected to take approximately five months to be fabricated and the Agency's Construction Manager, Turner Construction, has recommended an early issuance of the bid to take advantage of the currently favorable bidding climate and to assure construction can start upon completion of the Moscone Convention Center roof which is scheduled for June 1991. The amendment increases the amount payable by \$30,000 for a total contract amount of \$1.853 million. The affirmative action performance of Robinson, Mills and Williams has been found acceptable by staff, however, the Commission requested at the October 23 meeting that a representative from Robinson, Mills and Williams be available at today's meeting to answer questions on this subject.

Harish Shah, Robinson, Mills and Williams, described the affirmative action efforts of the firm since working on the Yerba Buena Center Project.

President King thanked Mr. Shah for his report but noted that there is room for improvement.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. WARTELE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-90 BE ADOPTED.

NEW BUSINESS (Continued)

- (b) Mr. Helfeld introduced item (b), which requests authorization to issue a Request for Program Concepts (RFC) for the Children's Place on Central Block 3 (CB-3) in Yerba Buena Center. The Children's Advisory Committee recommended initiating an RFC for use of the 20,000 square foot building called the Children's Place which would invite children's organizations to respond with ideas for the building. The Committee prepared a draft which has been reviewed and modified by the Mayor's CB-3 Policy Committee who recommend Commission approval. The overall goal of the project is to create a lively, interactive program in an environment to serve children, youth and families which celebrates the multi-cultural nature and distinctive urban environment of San Francisco. It is felt that the Children's Place should be a compelling environment which will serve as a neighborhood, Citywide and regional resource and that it

should be accessible to members of every community. Following the RFC process, which is expected to be from October 31, 1990 to January 3, 1991, three to five prospective operators will be requested to develop full proposals for presentation to a Selection Panel comprised of members of the Children's Advisory Committee, the CB-3 Policy Advisory Committee and Agency staff. Staff recommends modest stipends be made available to non-profits asked to develop proposals and, if selected, an additional seed grant be offered to assist in their planning and development phase. It is important to designate an operator and detailed use program by March 1, 1991 in order to meet the development schedule which provides for completion of CB-3 by the end of 1993. Separate processes to identify operators for the Ice Rink, Child Care Center and Carousel/Carousel Museum will be conducted during the interim. It is expected that architectural programming of the CB-3 facilities will begin during the Spring of 1991 through a collaborate effort among its architects; landscape architects; the selected operators and interested citizens groups.

Ms. Tsen reported on activities of the Children's Committee and steps leading to the recommendation to issue a Request for Program Concepts.

Mr. Kitahata noted his concern regarding the language in the RFC which indicates the Agency will consider an operating subsidy to a non-profit operator. He requested that sentence be omitted as he believed the operation should be self-sustaining.

Ms. Tsen indicated the Committee felt it important to indicate there would be a level of operating susidy in order to get proposals.

Following discussion, it was the consensus of the Commission that the language be changed to read: "The Agency may also consider providing a limited annual operating subsidy to a non-profit operator" and that an addition be made to No. 10 in the RFC, Submittals: "what are the plans for being self-sustaining".

ADOPTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Letter of Extension to conclude financing arrangements for the Central Block 1 (CB-1) Office Parcel Sale in Yerba Buena Center. In accordance with the Memorandum of Understanding between the Agency and YBG Associates for the development of the Central Blocks and

Minutes of a Regular Meeting, October 30, 1990

East Block 2 in Yerba Buena Center, both parties have been working to conclude the financing arrangements, however, additional time is required. The requested extension is from November 15, 1990 to January 16, 1991 and the developer will pay an extension fee of \$576,000.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-90 BE ADOPTED.

President King announced that there would be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

Central Blocks 1 and 2 in the Yerba Buena Center with Marriott; and

East side of Third between Hunt and Massett Place in Yerba Buena Center with San Francisco Museum of Modern Art; and

Northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company.

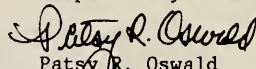
There will also be a Closed Session pursuant to Government Code Section 54957 to discuss personnel.

There will also be a Closed Session pursuant to Government Code Section 54956.9 on litigation. The name of the case is Gala v. San Francisco Redevelopment Agency and the City and County of San Francisco, Municipal Court No. 007125.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Wartelle, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

R35
#4
11/6/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF NOVEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:15 o'clock p.m. on the 6th day of November 6, 1990, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian
Paul Wartelle

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and the following were absent:

Leroy King, President (Arrived during the
Closed Session, 5:30 p.m.)
V. Fei Tsen (Arrived 4:24 p.m.)

The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present was: Maxime Lawrence:

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) The Mission Economic Development Association and the Mission Hiring Hall in conjunction with the South of Market Problem Solving Council held an open house at the new offices of the South of Market Business Recovery Project and the South of Market Employment Center at 965 Mission Street on November 1, 1990. Commissioner Bolanos was in attendance as well as representatives of the South of Market Business Community and City Agencies.

Ms. Bolanos indicated that gratitude was expressed to the Agency for its support of the program and the open house was attended by a number of committed community activists. It was pleasing to note a good attendance by Agency staff.

- (b) The Commissioners have been provided with an informational memorandum regarding the status of Exclusive Negotiations

with Taldan Investment Company for the development of the parcel located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center.

In response to an inquiry from Mr. Bagot, Robert Firehock, Acting Agency General Counsel, indicated he would report at the November 13, 1990 meeting on a letter received from Stan Smith, San Francisco Building and Trades Council, regarding Taldman Investment Company.

Ms. Tsen arrived at this time, 4:24 p.m.

- (c) The Commissioners have been provided with an informational memorandum of the recommended short list of architects for the Master Plan and the buildings on Central Block 3 in Yerba Buena Center.
- (d) The City's Enterprise Zone application has been rated No. 6 out of the top 20 of 28 applications submitted. The next steps will be to prepare a final application and draft EIR by February 15, 1991.
- (e) The Agency meeting of November 20, 1990 will be held at the Ella Hill Hutch Community Center at 1050 McAllister Street.
- (f) As requested by the Commissioners, comments of the various groups at the meetings held on the Esplanade design while Aldo Giurgula was in San Francisco will be provided to all concerned.
- (g) Regarding the refinancing of the Opera Plaza Bonds, Bank of America has reduced the fee from \$200,000 to \$50,000.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot noted that Congresswoman's Pelosi's involvement in the new Affordable Housing Act and requested Mr. Helfeld discuss the role of the Agency with the Mayor's Office of Housing.
- (b) In response to an inquiry from Mr. Bagot, Gene Suttle, Senior Deputy Executive Director, indicated there will be a presentation by Edwin Lee of the Mayor's Office on the Mayor's directive on the City's Minority, Women and Local Business Enterprise Program at the November 13, 1990 meeting.
- (c) In response to an inquiry from Mr. Bagot, Mr. Suttle indicated that a newsletter will be issued in approximately two weeks.
- (d) Ms. Tsen requested staff investigate the possibility of recapturing the tax credits allocated to the International Hotel for other projects because if this project is not built and occupied by 1991 it appears the funds will be lost.

Bill Rumpf, Chief, Housing Production and Management, indicated he would pursue the matter and report back to the Commission.

- (e) Mr. Wartelle noted that Congresswoman Pelosi's report also included an announcement of securing 260 acres of Hunters Point Shipyard for lease to the City and plans for the Agency to play a central role in its development.

NEW BUSINESS - CONSENT AGENDA

- (a) Designating and Authorizing certain Personnel to Administer certain Bank Accounts.
- (b) Authorizing a Tenth Amendment to the Land Disposition Agreement with WDG Westwood Condominiums which extends the date for completion of construction for Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBNERS 28190 AND 282-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Cooperation Agreement between the Agency and City Planning for the purpose of defining the roles of the parties in the implementation of the South of Market Earthquake Recovery Redevelopment Plan. For some time, the Agency has been working with the Deputy Mayor for Housing and Neighborhoods, City Planning and the South of Market Problem Solving Council on the preparation of an Earthquake Recovery Redevelopment Plan for a portion of the South of Market area most severely damaged in the October 1989 earthquake. In March 1990, the Board of Supervisors designated a Survey Area and subsequently the Planning Commission selected the boundaries of the proposed project which coincide with those of the Survey area. The Cooperation Agreement defines the respective roles of City Planning and the Agency relative to the development approval process.

At the request of Ms. Tsen, Mr. Helfeld summarized the Cooperation Agreement.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Expenditure of Funds in an amount not to exceed \$189,000 to the Department of Public Works for the Building Permit Fees required for construction of the Visual Arts

Center Building and the Yerba Buena Theater in Yerba Buena Center. This expenditure will cover the estimated costs of plan check fees and related miscellaneous fees and permits for the two cultural buildings. This will precede the Agency's issuance of structural steel and metal deck bid packages that will be calendared for authorization later this month with bid opening scheduled for January 1991. The precise amount of the fees is determined after the City has completed processing of the permit, but there will need to be an initial expenditure of up to \$55,000 when the Agency files the application for the site permit for the buildings. The remainder of the permit fees are due after the City has completed its processing of the permit application and the Agency is ready to pick up the permit. The Agency staff does not intend to pick up the permit unless the Agency clearly has the ability to proceed with construction. The funds to develop the buildings are to be derived from land sales proceeds for Central Block 1 and the Agency will have the ability to extend these permits up to two years so that there would be adequate time to cover any potential delay in the Agency's ability to commence construction.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS OF NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Maxime Lawrence requested that her 221 Certificate of Eligibility be reinstated so it could be used at a subsidized development she is presently residing at in Santa Rosa. She described the adverse living conditions experienced at Prince Hall in the Western Addition where she resided for a number of years.

Mr. Wartelle noted his concern that such conditions exist in Redevelopment Projects and requested a report on the management at Prince Hall.

COMMISSIONERS QUESTIONS' AND MATTERS (Continued)

- (f) A discussion ensued between the Commissioners and Staff regarding the possibility of the Agency having a role in: the Sears and Muni sites; and the airport land along Highway 101, referred to in a memorandum from Mr. Kitahata dated October 25, 1990 on Economic Development. Todd Shipyard and Mission Bay were also discussed.

Acting President Bagot announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Minutes of a Regular Meeting, November 6, 1990

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company.

There will also be a Closed Session pursuant to Government Code Section 54957 to discuss Personnel.

There is an additional Closed Session which arose subsequent to posting of the agenda on Friday, November 2, 1990. Pursuant to Government Code Section 54954.2(b)(2) of the Brown Act, a unanimous vote of the Commission members is required to add this item.

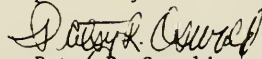
MOTION: IT WAS MOVED BY MR. WARTELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON NOVEMBER 2, 1990.

This item is pursuant to Government Code Section 54956.8 to instruct the Agency real property negotiator. The property is located at the northeast corner of Third and Mission Streets in Yerba Buena Center and the entity the Agency may negotiate with is Griffin Related Properties.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations. The meeting adjourned at 5:20 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

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#4
11/13/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF NOVEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:20 o'clock p.m. on the 13th day of November, 1990, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Buck Bagot, Acting President
Sonia Bolanos
Gary Kitahata
V. Fei Tsen

DOCUMENTS DEPT.

and the following were absent:

Leroy King, President
Haig G. Mardikian
Paul Wartelle (Arrived 4:30 p.m)

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The Acting President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Randy Shaw, Tenderloin Housing Clinic; John Elberling; Ace Washington, WAPAC; Edwin Lee, Mayor's Office; and Katherine Nash.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of August 14, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of August 21, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of August 28, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of July 17, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of July 24, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Tsen, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of July 31, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Louis Preston, Housing Management Supervisor, gave a status report on a complaint about maintenance and management problems at Prince Hall Apartments and noted the excellent condition of the development. He indicated that Maxime Lawrence, who appeared before the Commission at the November 6, 1990 meeting, has been issued with a new 221 Certificate.
- (b) Mr. Helfeld gave a Progress report on Fair Housing Audits conducted by Operation Sentinel at Tax Exempt Bond Financed Projects. He indicated that each developer has been requested to sign an agreement and it is hoped this will occur within one month.

Mr. Wartelle arrived at this time 4:30 p.m.

- (c) In response to an inquiry from Mr. Bagot, Mr. Helfeld noted that staff will continue to monitor and have input in the new Federal Housing Legislation.
- (d) The Agency is assisting the Department of Public Health with a detox center, which is part of the Mayor's Homeless program.
- (e) The Agency meeting of November 20, 1990 will be held at the Ella Hill Hutch Community Center, 1050 McAllister Street.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Kitahata noted that the San Jose Redevelopment Agency issued an Annual Report. He inquired regarding the Agency producing a similar report for use as an external marketing device containing a report on activities for 1990 and the program for 1991.

The Commissioners expressed support for this idea and Mr. Helfeld indicated he would discuss it with Wes Willeughby and look at what other City Departments are doing.

- (b) Ms. Bolanos inquired regarding scheduling of a workshop on Economic Development and the time table for meeting with community groups.

Leamon Abrams, Chief, Economic Development, indicated that it is planned to hold the workshop on an Economic Development Policy and the Expenditure Plan on November 27, 1990 after holding further meetings with community groups.

The Commissioners indicated they wished to participate in the community meetings and Mr. Helfeld indicated the workshop would be postponed until a meeting in December 1990 to provide this opportunity.

Ms. Bolanos noted that there needs to be a strategic plan on economic development and the expenditure plan and that other City departments should be involved.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a presentation by Edwin Lee, Special Advisor to the Mayor on Affirmative Action, on the Mayor's Executive Directive on the City's Minority, Women and Local Business Enterprise Program.

Mr. Lee gave a presentation on the Directive and responded to questions from the Commissioners. He noted that there is no longer a thirty day deadline for submission of the reporting form which is in the process of being changed and it will be filed on a quarterly basis. The Agency will need to develop a solid dependable review process.

Mr. Helfeld indicated that basic data on the Agency's program will be provided within the next few weeks.

Ace Washington, WAPAC, commended Mr. Lee on his presentation. In response to an inquiry from Mr. Washington, Mr. Lee indicated the Human Rights Commission would be monitoring the program.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a payment in an amount of \$2,200 in fees to Judicial Arbitration and Mediation Services, Inc. for the binding arbitration between the Agency and 345 Williams Avenue to determine the final price for the Agency's purchase of the property located at 345 Williams Avenue. The abandoned supermarket on this site, which has been purchased by the Agency for \$4 million, will be remodeled and a new supermarket opened. The property's fair market

value of \$4 million was determined by two appraisals, however, the seller obtained an appraisal valuing the property at \$4.7 million. Both parties agreed to enter into binding arbitration and that the Agency would pay up to \$700,000 if the Arbitrator determines that the fair market value is in excess of that already paid. The arbitration hearing is scheduled for December 11 and both parties have agreed to use the services and split the fees of the Judicial Arbitration and Mediation Service.

ADOPTION: IT WAS MOVED BY MR. WARTELE, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-90 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to Amend the Option/Lease Agreement between the Agency and the Port of San Francisco (Port) in order to pay back rents due the Port in connection with Parcel N-2, South Beach Harbor, in Rincon Point-South Beach. The lease for the South Beach Harbor, which was signed in December 1984, provides that the Agency take possession of the entire Pier 40 within five years of the signing of the lease in order for any rent to be due the Port from the South Beach Harbor leased area. Due to circumstances beyond the control of the Agency or the Port relative to relocation of the tenant on Pier 40, possession of the Pier was delayed seven months beyond the five year period. Agency Counsel has advised that, to permit payment of the back rents in an approximate amount of \$470,000, the Lease Agreement needs to be revised to extend the time period. Funds are available from the South Beach Harbor Operations Budget to pay this rent. The amended Lease Agreement will require approval by the Port Commission and Board of Supervisors.

At the request of John Elberling, Acting President Bagot indicated that item (c) would be taken up following item (e), a workshop on the South Beach Harbor in Rincon Point-South Beach.

- (d) Mr. Helfeld introduced item (d), which requests authorization of Conditional Grant Agreements with the Tenderloin Housing Clinic (THC) in the amounts of \$120,000 for the Sunnyside Hotel, 135 6th Street, and \$140,000 for the Jefferson Hotel, 440 Eddy Street, to perform rehabilitation work. As a result of a lawsuit participated in by THC against the Federal Emergency Management Agency (FEMA) regarding replacement housing after the October 1989 earthquake, FEMA has reached a lump sum settlement with the City which will not cover all of the replacement housing proposals submitted and the Deputy Mayor for Housing and Neighborhoods has requested the Agency fund this project from tax increment funds as a pilot project to provide small rehabilitation grants for use in private residential hotel

buildings that provide below market rents for very low income people. THC has entered into agreements with the owners of the hotels whereby rehabilitation work will be performed in exchange for a five year rent restriction and a total of 141 rooms being made available to persons participating in the General Assistance Modified Payments Program. Approval of these grants is based on meeting the financial needs of the replacement housing proposed by the parties to the FEMA lawsuit.

Ms. Tsen noted her concern from a policy point of view regarding grants to property owners for rehabilitation work when there are only short term rent control restrictions involved.

Brad Paul, Deputy Mayor for Housing and Neighborhoods, indicated this is being done to encourage long term residency and it is a pilot program which will be closely monitored.

Upon inquiry from Ms. Tsen, Randy Shaw, Tenderloin Neighborhood Clinic, described steps being taken to promote tenant stability by providing rooms of high quality at low rents.

Ms. Tsen indicated her support of this item because it is a pilot program and noted her interest in the results.

ADOPTION: IT WAS MOVED BY MR. WARTHELLE, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which is a workshop to report on the History and Financing of the South Beach Harbor in Rincon Point-South Beach and to discuss harbor operations and revenue information.

Michael Kaplan, Acting Project Coordinator, Rincon Point-South Beach made a presentation on the history and financing of the South Beach Harbor.

John Elberling indicated he believes the Agency should relinquish the Harbor to the Port of San Francisco. In addition, he requested action on the back rents due the Port for Pier 40 be postponed and the Agency negotiate with the Port.

Mr. Helfeld indicated that the Agency has plans for retail on Pier 40 to make it more attractive. Also, he believes as well as being legally required to pay the back rents, non-payment would break faith with the Port which is also a public entity. Staff is exploring the possibility of the

Port or the Park and Recreation Department taking over the Harbor operations.

Following a discussion between the Commissioners and Staff, the following motion was made:

MOTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. WARTELLE, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 286-90, BE CONTINUED UNTIL FURTHER PLANS ARE EVOLVED FOR PIER 40 AND A FULL ANALYSIS OF OPTIONS IS AVAILABLE TO THE COMMISSION.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, requested WAPAC be permitted to make a presentation at the November 20, 1990 meeting and Acting President Bagot indicated it could be heard under item number 9 on the agenda with a three minute time limit. He further indicated that President King would be presiding at that meeting and would make a decision.

Acting President Bagot announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

northeast corner of Fourth and Harrison Streets in Yerba Buena Center with Taldan Investment Company.

ADJOURNMENT

It was moved by Mr. Wartelle, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations. The meeting adjourned at 7:05 p.m.

Respectfully submitted,

Patsy R. Oswald
Agency Secretary

APPROVED

SF
R35
#4
11/20/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF NOVEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Ella Hill Hutch Community Center, 1050 McAllister Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of November, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian

and the following were absent:

Buck Bagot, Vice President (Arrived 4:25 pm)
V. Fei Tsen
Paul Wartelle (Arrived 4:35 pm)

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Randall Evans; Jack Burgess, San Francisco Physically Disabled Quorum; Ace Washington, WAPAC; Lefty Gordon, Richard Brown, Joyce Crum; and Jerome Thomas; Ella Hill Hutch Community Center; Toye Moses, Alvin Norman, Jeffery Collins, Reverend Michaels S. Williams, A. Marshall and Raymond Martin, Young Community Developers; Ray Jones and Roland Willis, Sr., Urban Economic Development Corporation; Sidney A. Martin, Western Addition Residents; Martin Grizzell; Houston Conwill; Cory Creath, Tim Coby and Joy Ou, Post International Project; Frank Markey; Marion A. Keller; Kay Bromley; Mr. & Mrs. Norman Sweet; Stanley Pauer; Marla Carling, Manager, Cathedral Hill Tower Association; Stanley Pauer, Physically Disabled Quorum Task Force; Willie Lang and Ansu Karneh, Omi Lang Associates; Laroy McDonald; Josephine Merlin; M. O'Rourke; H.E. Burdensk; Katherine Nash, WANA/Rainbow; Greg Cobbs and Joseph Brown, Metropolitan Fresh Start; Jean Wright, Century Club; Essie Collins; Raymond E. Lyke; ILWU, Local 2; and Alexa Smith.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of September 4, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of September 11, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of October 9, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Regular Meeting of October 16, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Kitahata, and unanimously carried that the minutes of the Closed Session of August 7, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) On November 26, Progress Seven, Inc. and Future Perfect, Inc. will be holding their groundbreaking ceremonies from 11:00 a.m. to 1:00 p.m. at the Earl P. Mills Community Center at 100 Whitney Young Circle for their developments City View and C. Hillside Village.
- (b) The Structural Steel bid package for the Cultural Buildings in Yerba Buena Center will be advertised for bid on November 30, 1990. This will enable the Commission to award a contract for the manufacture of the steel for these buildings at the end of January. Erection of the steel is anticipated to start in June which will allow the Agency to achieve its goal of having the heavy construction completed before the Convention Center opens in May 1992 and having these buildings completed at the end of 1992.

REPORT OF THE PRESIDENT

President King reported as follows:

The Agency meeting is being held in the Western Addition today as part of an effort by Mayor Art Agnos to bring the actions of the government closer to the people. Meetings have already been held in the South of Market and Bayview/Hunters Point areas where the Agency has very active Redevelopment Projects. Agency Commissioners and staff are pleased to hold this meeting at the Ella Hill Hutch Community Center which was built by the Agency as part of its program for not just providing housing but all of the

amenities and facilities that will make this an active and thriving community. The Agency has built in the Western Addition: Housing - 5,569 new housing units, 59 percent of which are subsidized; Fillmore Center - a 47,000 square foot Safeway supermarket, a 71,000 square foot office building, over 133,000 square feet of retail/commercial space is provided in the two developments currently under construction in the Fillmore Center and an additional 41,000 square square feet is planned; Other Development - a new State Office Building, a home for the San Francisco Ballet, a home for the California State Bar, over 1.4 million square feet of office/commercial retail space, two other community center, one in Japantown and one under construction in the Fillmore Center; Parks and Other Amenities - 2.4 acres of recreational and open space, undergrounded all utilities in the project area, construction a new Muni electrical sub-station for all of the electrical trolleys in the northwest portion of the City, thousands of street trees have been planted. The Agency is proud of its accomplishments over the years and will continue to respond to the Western Addition community and the City to provide decent affordable housing, public amenities, small business and employment opportunities that can be served by everyone.

UNFINISHED BUSINESS

- (a) President King introduced item (a), which requests authorization to Amend the Option/Lease Agreement between the Agency and the Port of San Francisco (Port) in order to pay back rents due the Port in connection with Parcel N-2, South Beach Harbor, in Rincon Point-South Beach. It is recommended this item be continued.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 286-90, BE CONTINUED.

NEW BUSINESS- CONSENT AGENDA

- (a) Authorizing an expenditure of funds to Greear Graphic Services in an amount not to exceed \$2,707 for purchase of a Paper Cutter.
- (b) Authorizing an expenditure of funds not to exceed \$1,400 for the purchase of a Fax Machine for the Central Records Office.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 288-90 AND 289-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

President King indicated that item (f) would be taken up before the remainder of the agenda.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an Agreement for Legal Services with Alexander, Millner & McGee in an amount not to exceed \$16,500 in connection with the Western Addition A-2. A Land Disposition Agreement (LDA) entered into in March 1986 with Western Commercial Partnership II (WCP II) related to the purchase of an office building on Parcel 725-2 in the Fillmore Center from Safeway Stores was conditioned upon its providing 80 permanent parking spaces. The Agency agreed to make 80 spaces available in the development of Parcel 732 for which a separate LDA was entered into with Fillmore Renaissance Associates which incorporated the parking requirements set forth in the WCP II Agreement. The Agreement also provided the Agency with certain rights and remedies in the event WCP II failed to provide the 80 parking spaces. Since WCP II has failed to accept these spaces and has offered no alternative, it is proposed that Alexander, Millner & McGee, which is the largest minority-owned law firm in the western United States, be retained to assist Agency Counsel in resolving this matter.

The following persons spoke regarding item (f): Randall Evans; Jack Burgess, San Francisco Physically Handicapped Quorum; and Ace Washington, WAPAC.

Mr. Burgess requested handicapped spaces be made available and President King indicated this would be taken into consideration.

Mr. Wartelle arrived at this time 4:35 p.m.

In response to an inquiry from Mr. Kitahata regarding recovery of the fee from WCP II, David Madway, Agency General Counsel, indicated that there is a provision for attorneys fees in the documents.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-90 BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which is for presentation of Quarterly Reports by: the Ella Hill Hutch Community Center (EHHCC); Young Community Developers (YCD); and Urban Economic Development Corporation (UEDC). This fiscal year, the Commission authorized those organizations to provide employment and business development assistance services in the Western Addition A-2, Hunters Point/South Bayshore areas. This is the first quarter summary status report for these service providers which is a requirement of their contracts. Staff will continue to monitor the progress of these organizations.

Isabella Wong, Assistant Development Specialist, introduced Lefty Gordon, EHHCC; Toye Moses, YCD; and Ray Jones, UEDC.

Richard Brown and Jerome Thomas made the presentation for EHHCC and Joyce Crum reported on their apprenticeship program.

Sidney A. Martin, Western Addition Residents (WAR), spoke regarding item (c) and indicated WAR works with EHHCC in resolving problems of minorities and females in the construction field.

Reverend Michael S. Williams, Martin Grizzell; and Jeffery Collins paid tribute to President King and presented him with a plaque. President King expressed appreciation for the commendation.

In response to an inquiry from Mr. Bagot, Mr. Gordon indicated that EHHCC will provide apprenticeship information in consultation with the labor unions.

Toye Moses made the presentation for YCD.

Alvin Norman and Raymond Martin, YCD, spoke regarding item (c).

Ray Jones, Executive Director, made the presentation for UEDC.

The Commissioners noted their concerns regarding: the need for self-sufficiency; and the ability of the organizations to meet the goals as stated in the programs.

Ace Washington, WAPAC, made a presentation on matters relating to the Western Addition A-2.

- (d) Mr. Helfeld introduced item (d), which is a workshop is to report on the Design Progress of the Martin Luther King, Jr. Memorial proposed for the Esplanade in Yerba Buena Gardens of Yerba Buena Center. In September 1990, Houston Conwill was selected to design the memorial working in conjunction with the architects for the Esplanade, MGA Partners, and at an October 30 workshop Mr. Conwill introduced the concept of a memorial located along the walkway through the Esplanade fountain. The design, which is approximately 50 percent completed, will now be presented by Mr. Conwill. Presentation of the final design of the memorial is tentatively scheduled for December 11, 1990.

Houston Conwill presented the design for the memorial.

Ms. Bolanos left during Mr. Conwill's presentation, 6:30 p.m.

Mr. Kitahata left at the end of the presentation, 6:40 p.m.

- (e) Mr. Helfeld introduced item (e), which is a workshop on the proposed Post International Project at Post and Gough Streets and Peter Yorke Way in the Western Addition A-1. The development consists of 72 market-rate condominiums with on-site parking, recreational facilities and convenience

retail. It is being developed jointly by Marlin Cove, Inc. and Ou Interests, Inc. who own the land and wish to enter into an Owner Participation Agreement (OPA) under which the developer would agree to provide sixteen affordable units at an off-site location to be determined. The Agency will reserve the right to approve the affordable housing site location. This affordable housing contribution is equal to 22 percent of the market-rate units and if the affordable units are not under construction prior to completion of the market-rate units, the developer will make an in-lieu cash contribution of \$700,000. Although there was no opposition to the project at a community presentation on November 5, the owner of the Broadmoor Hotel on Sutter Street subsequently requested a shadow study which the developer has agreed to perform. If the project receives the required approvals, groundbreaking could be in the Spring of 1991.

Cory Creath, Ou Interests, Inc. described the project in general and Tim Coby, Architect, presented the design concept.

The following persons spoke regarding item (e): Frank Markey; Mr. & Mrs. Norman Sweet; Marion Keller; Kay Bromley; and Stanley Pauer, Physically Disabled Task Quorum.

In response to an inquiry from Mr. Pauer, Mr. Creath indicated that code requirements would be met for 5 percent of the units to be fully accessible and for that reason, four of the units are designed that way.

The speakers noted their concerns regarding: increased traffic and attendant parking problems; density; blockage of sun and light for nearby buildings; and lack of notification of meetings concerning the project.

The Commissioners noted their concerns regarding: the design and lack of notification to tenants and owners of meetings concerning the development.

Mr. Helfeld indicated that the notification process will be reviewed and the design will be reviewed by Agency architectural staff.

- (g) Mr. Helfeld introduced item (g), which requests approval of the Preliminary Construction Documents for the East Garden in Yerba Buena Center. Omi Lang Associates, the Agency's architects for the East Garden have completed the Preliminary Construction Documents based on a Schematic Design approved on May 23, 1990 and, upon approval, work will begin on the Final Construction Documents which are scheduled for completion on January 31, 1991 so bidding can coincide with bidding for the two cultural buildings. The documents have been reviewed by the Museum of Modern Art, the Cultural Operating Board and the City's Accessibility Task Force. Although design refinements

were made which increased the garden's accessibility in response to comments from the Task Force, at a November 15 meeting a number of its members continued to feel the ramped walkway should be moved more into the center of the garden. However, the designers feel this would seriously compromise the garden's design and would necessitate a re-evaluation of the basic design concept. The garden, which is located on the west side of Third Street between Howard and Mission Streets, provides an inviting public garden and a distinctive and usable common space for the Visual Arts Center, the Theater and the Museum of Modern Art. The estimate for the documents submitted by the landscape architects is within budget and submittal of the Final Construction Documents early in 1991 will allow the garden construction to be completed at the same time as the cultural buildings.

Willie Lang and Ansu Karneh, Omi Lang Associates, presented the design concept.

Stanley Pauer, Physically Disabled Quorum, noted his concern at accessibility for the disabled.

Following discussion, it was the consensus of the Commission that the Preliminary Construction Documents be approved with the condition that the landscape architect provide a means of emphasizing the square planter area associated with the accessibility walkway.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 291-90, AS AMENDED, BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

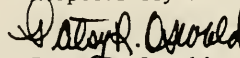
- (a) Mr. Bagot requested Agency meetings be held in the community on a monthly basis and President King indicated this matter would be discussed at the November 27, 1990 meeting.

President King announced that the Closed Sessions listed on the agenda would not be held.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Minutes of a Regular Meeting, November 20, 1990

APPROVED

January 8, 1991

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R35
#4
11/27/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF NOVEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of November, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia Bolanos
Haig G. Mardikian

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and the following were absent:

Gary Kitahata
V. Fei Tsen
Paul Wartelle (Arrived 4:35 pm)

PUBLIC HEARING

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present was: Ace Washington, WAPAC.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of October 23, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of October 30, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Closed Session of August 14, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Closed Session of August 21, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Bagot, and unanimously carried that the minutes of the Closed Session of October 9, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) A groundbreaking ceremony for the Progress Seven, Inc. and Future Perfect, Inc. affordable housing developments was held on November 26, 1990 at the Earl P. Mills Community Center. Deputy Mayor Claude Everhart, representing the Mayor, and Supervisor Doris Ward were in attendance.
- (b) The Agency's policy on South Africa does not include construction as an activity requiring disclosure of South African connections. Staff in preparing the Contract Documents for Yerba Buena Center believe that the South African Policy should apply to this construction and are including these provisions in the documents. If any Commissioner has any comment on this proposed inclusion, please advise staff by the first bid advertising date of November 30, 1990.
- (c) The Commissioners have been provided with the most recent Newsletter which describes the Agency's accomplishments. Wes Willoughby is to be commended on preparing this publication.
- (d) The Commissioners have been provided with a draft of the Inclusionary Housing Guidelines prepared by the City Planning Department. One concern is that it indicates as a general guideline that 10 percent of units in larger housing projects should be affordable whereas the Agency goal is for 20 percent to be affordable. Discussions will be held with City Planning and Deputy Mayor Brad Paul in efforts to have City Planning adopt the same guidelines as the Agency.

Mr. Bagot requested staff to advise the Commission on how many Owner Participation Projects 20 percent goal has been obtained besides the Marlin Cove development.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot suggested the Commission adopt a policy to hold Agency meetings in the community on a monthly basis as requested by the Mayor's Office.

President King indicated this matter needs to be discussed further and costs involved reviewed.

Robert Gamble, Deputy Executive Director, Finance, indicated that funds have not been budgeted for that purpose, however, he will make an analysis and report back to the Commission.

Mr. Mardikian indicated that although he is not opposed to holding monthly meetings in the community, it should be noted that the location of the Agency's offices was selected because of its proximity to the Civic Center, which is the center of the City and is accessible to all persons, particularly when there are a variety of agenda items.

Ms. Bolanos noted that she concurred with Mr. Mardikian's comments and suggested that meetings be held quarterly, rather than on a monthly basis.

- (b) Mr. Bagot requested the Commission be advised of meetings being held with community groups that are attended by staff.
- (c) Mr. Bagot requested a report on anti-crime efforts in Morgan Heights. He noted the need to institute an anti-crime strategy on Third and Sixth Streets. He further requested the Mayor's Office of Criminal Justice attend an Agency meeting concerning crime on Sixth Street.

Mr. Helfeld indicated he would report back on Mr. Bagot's requests.

NEW BUSINESS- CONSENT AGENDA

- (a) Authorizing an extension to the Schedule of Performance of the Option for Development Sublease with BRIDGE Housing Corporation for Site K, which is bounded by King Street, Townsend Street and The Embarcadero in Rincon Point-South Beach.
- (b) Authorizing an expenditure of funds not to exceed \$1,500 for reimbursement of travel expenses for Senior Planner Applicants.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (b), RESOLUTION NUMBERS 292-90 AND 293-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (c) Mr. Helfeld introduced item (c), which requests authorization of an expenditure not to exceed \$8,960 to Wilson Office Group for extra cost of Installation of Furniture at 770 Golden Gate Avenue. When bids were sought for the installation of the furniture, staff specified that prevailing wages would need to be paid, however the State Department of Industrial Relations subsequently advised they would not provide a prevailing wage ruling on this work because it did not fall into the standard public works category. Therefore at the time the furniture was about to be installed it became clear that the work could only

be carried out by a union subcontractor due to other craft workers on the job and, because of the very tight time frame involved, notice was given to Wilson Office Group to proceed with the union subcontractor. The actual number of hours on the job totalled more than 1,000 which should have resulted in an additional \$2,000 charge, however, this additional cost will be absorbed by Wilson.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-90 BE ADOPTED.

Mr. Wartelle arrived at this time, 4:35 p.m.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, requested an update and list on all sites under construction in the Western Addition A-2 and that arrangements be made for him to meet with Richard Szeto.

President King indicated that it is not Agency policy to arrange meetings between developers and community groups and that the only reports that will be provided are those done in public.

President King announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Parcel N, Pier 40 and adjacent Marina in Rincon Point-South Beach with the Port of San Francisco; and

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

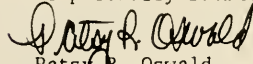
There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to two Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 4:40 p.m.

Minutes of a Regular Meeting, November 27, 1990

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being the most prominent.

Patsy R. Oswald
Agency Secretary

APPROVED

January 8, 1991

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2/4/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF DECEMBER, 1990.

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of December 4, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Leroy King, President
- Buck Bagot, Vice President
- Sonia Bolanos
- Gary Kitahata
- Haig G. Mardikian

and the following were absent:

- V. Fei Tsen (Arrived 4:25 p.m.)
- Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Brad Paul, Deputy Mayor for Housing and Neighborhoods; Ace Washington, WAPAC; Randall Evans; Gregory Cobbs, Metropolitan Ministries; Richard Diaz and Eloy Muniz, Fresh Start; Katherine Nash; Eric Adkullateef and Robert Barragan, Mission Economic Development Association (MEDA); Rich Sorro, Mission Hiring Hall/South of Market Employment (SMEC); Dino di Donato, South of Market Problem Solving Council; Henry Perez, Jr.; Elaine Badgley Arnoux; Jeff Roth; Robert Otsuka; Isabel Ugat; John Elberling, TODCO; Robert McCarthy; Matthew Witte, Griffin Related Properties-VIII; Michael McCone, California Historical Society; Alvin Norman, Bayview/Hunters Point Minority Contractors.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of November 6, 1990, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the minutes of the Regular Meeting of November 13, 1990, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) The Commissioners have been provided with a memorandum giving an update on the housing activities in the South of Market Earthquake Recovery Project Area.
- (b) The Commissioners have been provided with a memorandum on the National Housing Act.
- (c) The Agency's Holiday Celebration will be held on December 8, 6:30 p.m., at the Fairmont Hotel.
- (d) Agency meetings will not be held on December 25 and January 1, Christmas Day and New Years Day respectively. It would be helpful to know the availability of the Commissioners during that period in case the need for a Special Meeting should arise.
- (e) There will be a Special Meeting of the Western Addition Neighborhood Association (WANA) to review the proposal by Bart Seidler of FTP Corporation to develop 35 units of housing on the site currently occupied by a Shell Gas Station on the southeast corner of Bush and Steiner Streets. The meeting will be held on December 4, 7:30 p.m. at St. Dominic's Church in the Rectory Building on Bush Street.
- (f) There will be a meeting of the 6th Street Merchants Association on December 19, 6:30 p.m., at MEDA's Offices located at 965 Mission Street.
- (g) The Commissioners have been provided with a copy of the Agency's First Quarter Report to the Mayor on MBE, WBE and LBE Performance which will be transmitted to the Mayor's Office on December 10, 1990.

Mr. Bagot requested the report be discussed at the December 11 meeting after the Commissioners have had an opportunity to review it.

- (h) The estimated cost to hold an Agency meeting in the community is \$800 and staff recommendation is to hold six such meetings a year.

It was the consensus of the Commission that staff recommendation be accepted.

- (i) A meeting was held with the Mayor on December 3 who noted great concern regarding the City's budget crisis. However, he did end the meeting on a positive note by producing renderings of Yerba Buena Gardens and was enthusiastic in praise of the Agency's efforts.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Mr. Bagot requested a report on resident hiring in India Basin and Bayview Plaza which Gene Suttle, Senior Deputy Executive Director, indicated would be provided.
- (b) The Mayor held a meeting regarding the Real Estate Transfer Tax which is still being discussed.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to Amend the Option/Lease Agreement between the Agency and the Port of San Francisco in order to pay back rents due the Port in connection with Parcel N-2, South Beach Harbor, in Rincon Point-South Beach. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONERS, ITEM (a), RESOLUTION NO. 286-90, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

Ms. Tsen arrived at this time 4:25 p.m.

NEW BUSINESS - CONSENT AGENDA

At the request of Ace Washington, WAPAC, President King indicated that item (b) would be removed from the Consent Agenda and considered as a Regular Agenda item.

- (a) Authorizing a Letter Agreement with the Mayor's Office of Community Development/Child Care Facility on Central Block 3 in an amount not to exceed \$10,000; Yerba Buena Center.
- (c) Appointing Leroy King and Gene E. Suttle to serve on the Governing Board of the San Francisco State Building Authority.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY Mr. KITAHATA, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) AND (c), RESOLUTION NUMBERS 295-90 AND 297-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

- (b) Authorizing a Rental Agreement with Metropolitan Ministries for the use of Agency-owned land at the northeast corner of Divisadero and Ellis Streets for the sale of Christmas trees; Western Addition A-2.

Ace Washington and Randall Evans spoke in support of item (b).

At Mr. Washington's request, Gene Suttle, Senior Deputy Executive Director, gave further information on this item.

Mr. Washington referred to Richard Szeto's commercial property on Fillmore Street and President King indicated that this will not be discussed as it is not an agenda item.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-90 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), the purpose of which is to present Quarterly Status Reports on Mission Economic Development Association (MEDA) and Mission Hiring Hall/South of Market Employment Center (SMEC), Economic Development Providers in the South of Market Earthquake Recovery Area. This year the Agency implemented a system to provide program insight and performance assessment of all service providers and added a requirement of submission of quarterly oral and written reports during the term of the contract. The Commissioners have been provided with staff reports on both organizations and an analysis of the performance program for this quarter. A request by MEDA for additional funding will be before the Commission for consideration under item (e) on today's agenda.

Eric Adullateef, Financial Analyst, MEDA, and Rich Sorro, SMEC, presented the results of their first quarter reports and responded to questions from the Commissioners who noted the need for both organizations to work towards self-sufficiency.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a First Amendment, which provides additional funding not to exceed \$30,000, to the Personal Services Contract with Mission Economic Development Association (MEDA) for Business and Technical Assistance to Business Owners in the South of Market Earthquake Recovery Redevelopment Project Area. Although the funding request for the initial contract authorized in July 1990 was for \$150,750, upon staff recommendation an amount of \$100,000 was approved with the provision that this amount would be reconsidered after completion of a needs survey of the Project Area business and contingent upon a work program that justified a budgetary increase. The survey has now been completed and, following its analysis, staff believes additional funding of \$30,000 is warranted in order to implement a comprehensive plan for economic recovery of businesses severely affected by the October 1989 earthquake. These funds will be used to make the current two part time positions full time and to cover additional administrative costs.

Robert Barragan, MEDA, requested approval of item (e).

Ms. Tsen inquired whether all ethnic groups are being served and requested a demographic survey of the area which Mr. Barragan indicated he would undertake and report back to the Commission.

ADOPTION: IT WAS MOVED BY MS. BOLANOS, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Matching Grant of \$43,000 to the South of Market Problem Solving Council (Council) to carry out activities related to their function as the Citizens Advisory Committee (CAC) for the South of Market Earthquake Recovery Redevelopment Project Area. In July 1990 the Agency designated the Council as the Citizens Advisory Committee for the project area and they have performed very effectively in assuming responsibility by coordinating meetings of the CAC and the wider South of Market community as well as being a leading element on specific social, housing and economic development issues. Acting in the capacity of the CAC for the Project, the Council has requested funding to supplement their 1990-1991 budget in order to expand their functional activities. They would match this funding with previously committed and currently solicited funding from other sources to hire an Assistant Coordinator for the fiscal year to assist in expanded project related activities. The Council has been unable to raise sufficient funds for the remainder of this fiscal year from their regular sources to cover the costs of this additional staff person. It is not anticipated at this time that the Council will require further funding in subsequent years. There are sufficient funds in the 1990-1991 Project Budget for this purpose. The Commissioners have been provided with SOMPSC budgets for the fiscal years 1990-1991 and 1991-1992 which identify sources of projected funding.

Dino di Donato, South of Market Problem Solving Council, reported on activities of CAC for the South of Market Earthquake Redevelopment Project Area and requested approval of item (e).

The following persons spoke in support of item (h): Henry Perez, Jr.; Elaine Badgley Arnoux; Jeff Roth; Robert Otsuka; and Isabel Ugat;

Several speakers commended Mr. di Donato and noted their support of item (g) on the agenda which relates to a Personal Services Contract with TODCO.

Ms. Tsen noted her concern from a policy standpoint of the Agency funding a Citizens Advisory Committee (CAC) because she feels they should be self-sufficient. Mr. di Donato indicated very few private foundations are willing to provide funds and there has not been time to do research and fundraising because of the workload. It is hoped in 1991-1991 sufficient private funding can be obtained for the CAC to become independent.

ADOPTION: IT WAS MOVED BY Mr. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Professional Services Contract in an amount of \$50,000 with Tenants and Owners Development Corporation (TODCO) for preparation of a Strategic Plan for community-based development

and ownership of properties in the South of Market Earthquake Recovery Redevelopment Program. TODCO has submitted a proposal to prepare a "Sixth Street Strategic Plan for Community-based Asset Development and Management" which would include recommendations for coordinated nonprofit administration of housing developed under the Plan and production of operating and maintenance standards for the housing. It would analyze the needs and potential of such development, with an emphasis on housing, examine the need for community services facilities and opportunity sites for economic development. As a part of developing the plan, TODCO would form and staff an Advisory Committee as well as staff and organize the Sixth Street Residents and Merchants Association. The proposal is consistent with the Agency's goal of having active community input in implementing the Earthquake Recovery Plan and funds of \$50,000 were included for this purpose in the 1990-1991 Agency budget. The total budget for the contract is \$65,698 and TODCO will provide the balance from donations.

John Elbering, TODCO, requested approval of item (g).

Mr. Bagot requested TODCO make quarterly status reports to the Commission.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a First Amendment, which modifies the Scope of Development, to the Land Disposition Agreement with Griffin Related Properties-VII for the parcel located at the northeast corner of Third and Mission Streets in Yerba Buena Center. Subsequent to authorization of the LDA and approval of the Schematic Design in May 1990, the developer advised that in order to maintain the distinguished and unique building design and the quality of the office space, as well to assure economic viability by having windows along the easterly property line, it is necessary to acquire an easement over the roof of the adjoining building known as the Hundley Hardware Building at 666 Mission Street. Acquisition of the easement will prevent future construction of additional floors on the adjoining building or a new building of greater height. The developer has requested approval to increase the building gross floor area by approximately 32,000 square feet to compensate for the cost of the acquisition of the additional construction costs involved in placing windows on the property line. Staff believes the quality of the originally proposed design has been preserved and that changes to the architectural design resulting from the proposed increase the the building area are minimal and acceptable.

Robert McCarthy noted his concern regarding the selection process for this project and that the development originally agreed to has now changed considerably in that there is now no

anchor tenant and an additional 32,000 square feet is being awarded to the developer.

Mr. Mardikian noted his concern that the developer did not know what the requirements are for building on the property line. He could not see any justification for adding 32,000 square feet to this development to make it viable and he would vote against this item.

Matthew Witte, Griffin Related Properties-VIII, indicated that there was a relatively short period of time during the competition and it was not until refinement of the design began that the problem regarding the property line arose.

In response to an inquiry from Ms. Tsen, Helen Sause, Project Director, Yerba Buena Center, indicated that Keyser Marston Associates and Agency Real Estate Staff analyzed the request and found it has no effect on costs.

In response to Mr. McCarthy's comments on the integrity of the selection process, the Commissioners indicated that besides an anchor tenant there were other factors involved such as the developer's public benefits package and architectural design. Also, the additional square footage does not detract from the design.

Mr. Helfeld noted that the increase in square footage will result in additional housing exactions and other requirements.

Michael McCone, California Historical Society, indicated that the Society plans to relocate to the landmark Jessie Hotel in Yerba Buena Center which is part of the Griffin Development.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, THAT RESOLUTION NO. 301-90 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Bolanos
Mr. Kitahata
Ms. Tsen
Mr. King

AND THE FOLLOWING VOTED "NAY":

Mr. Mardikian

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this time, 6:25 p.m. President King turned the chair over to Mr. Bagot.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a Tenth Amendment to the Legal Services Agreement with Shute, Mihaly and Weinberger in connection with All Redevelopment Projects except Rincon Point-South Beach. This firm has been providing specialized legal services to the Agency since 1981 on complex environmental issues related to land use and there is a continued need to have their services available for environmental consultation and analysis. Currently the firm is rendering legal services on matters relating to the new Environmental Impact Report for Yerba Buena Center and California Environmental Quality Act requirements with respect to the Agency's restructured Affordable Housing Program. Contract funds are exhausted and there is presently an approximate amount of \$17,600 outstanding for services already rendered. The proposed amendment will increase the amount payable by \$70,000 for a total contract amount of \$200,000. The Commissioners have been provided with details of the firm's affirmative action efforts, which are considered acceptable.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-90 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests Authorization of a First Amendment to the Agreement for Legal Services with Cassidy & Verges (Robin Paige Donoghue). Robin Paige Donoghue was employed by the Agency as Senior Attorney and handled a wide variety of litigation on behalf of the Agency, including the case of Kevin Williams versus the San Francisco Redevelopment Agency and in March 1990 the Agency entered into an agreement for Ms. Donoghue's continued services in connection with this case. Although the Court of Appeals rendered a decision in favor of the Agency on September 24, 1990, the Plaintiff/Appellant has petitioned the Supreme Court for review of this action. It is not anticipated this petition for review will be granted, however, it is believed to be in the best interests of the Agency to have continued representation in this matter by Ms. Donoghue. The proposed amendment will increase the amount payable by \$5,000 for a total contract amount of \$10,000. The Commission has been provided with information on the firm's affirmative action goals.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 303-90 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Alvin Norman, Bayview/Hunters Point Minority Contractors, protested the award of development rights to Dr. Rhody McCoy.

Minutes of a Regular Meeting, December 4, 1990

Mr. Helfeld indicated that this developer was selected three years ago.

- (b) Ace Washington, WAPAC, requested a study of Richard Szeto's project relative to there being no African-Americans in that development.

Acting President Bagot announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Parcel N, Pier 40 and adjacent Marina on Rincon Point-South Beach with the Port of San Francisco; and

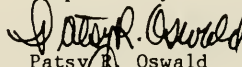
Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Kitahata, and unanimously carried that the meeting be adjourned to two Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 6:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 8, 1991

SF
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#4
12/11/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF DECEMBER, 1990

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:25 o'clock p.m. on the 11th day of December, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia Bolanos
Gary Kitahata
Haig G. Mardikian
V. Fei Tsen

and the following was absent:

Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Larry McEwan, Fred Foote and Lyn Utsen, NGA Partners; Joe de Pace; Houston Conwill; Sue Bierman; Sue Bierman; Arnold Townsend; Stan Smith, San Francisco Building and Trades Council; John Elberling, YBG Consortium; Kenneth Goldman and Victor Gonzales, Taldan Investment Company; Rich Sorro, South of Market Employment Center; Ace Washington, WAPAC; David Cincotta and Martis Wick, Bart Seidler/FTP Investment Corporation; Mary Jane Staymates, WANA; Emily Pimentel; Lisa Ringgenberg (for Karen Kitowski); Jim Williams; Jerair Panosian; Janice and Andre Bolaffi; Patrick O'Connor; and K. Starosciak.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Staff met with a group interested in demolishing the Embarcadero freeway and it is hoped to develop an appropriate study for that area.
- (b) The Agency will be involved in possible Hunters Point Shipyard work. The Navy will be sending a proposal to the City on how to proceed with the negotiations. The Agency is working on this with Deputy Mayor Claude Everhart and staff will report back.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) In response to an inquiry from Mr. Bagot regarding the Agency's MBE, WEB and LBE Report and how it compares to the Mayor's Executive Order, Gene Suttle, Senior Deputy Executive Director, indicated that the report contained what actually occurred and staff is in the process of preparing a response to the Mayor's Executive Order.

Ms. Tsen suggested Edwin Lee of the Mayor's Office be invited to attend a meeting and give an evaluation of the Agency's performance.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to the Personal Services Contract with Nor-Cal Moving Services in connection with the Agency's office move to 770 Golden Gate Avenue. A number of unanticipated services were required during the move resulting in additional charges of approximately \$2,000 over those originally included in the Nor-Cal contract. These services were related to the move of used furniture to 815 Eddy Street for Central Records, at which location older furniture was used because of lack of funding for new furniture, and the move of office equipment to the Agency's warehouse at 1 Federal Street for temporary storage.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-90 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which is a workshop to provide information on the Completed Preliminary Construction Documents (PCD's) for the Esplanade and Design Proposal for the Martin Luther King, Jr. Memorial in the Yerba Buena Gardens of Yerba Buena Center. The Schematic Design for Esplanade was approved in June 1990 and in September 1990 Houston Conwill was selected as the artist for the memorial which is located in the Esplanade. At workshops held on October 30 and November 20, 1990, Houston Conwill made presentations on the Memorial which consists of glass panels inscribed with quotations from Dr. King's writings and speeches and is located along the walkway through the Esplanade fountain. Subsequent to an October 30, 1990 workshop to review the Preliminary Construction Documents, the architects for the Esplanade have addressed issues raised at that time and incorporated their response in the Documents which will be presented today. The completed Preliminary Construction Documents and Memorial Design have been reviewed by the Mayor, the Chief Administrative Officer, Deputy Mayor Brad Paul's Policy Advisory Committee, Friends of the Gardens and there has been ongoing participation in process by the Martin Luther King, Jr. Memorial Committee. Approval of the Preliminary Construction Documents and the Memorial will be calendared for consideration at a future Commission meeting. Final

Construction Documents for the Esplanade, including the Memorial, are scheduled for completion in June 1991 which will permit commencement of construction in September 1991 with completion to coincide with completion of the Cultural Buildings in October 1992.

Presentations were made by: Larry McEwan, Fred Foote and Lyn Utsen, MGA Partners; John Larson, Omi Lang Associates; for the Esplanade and Joe de Pace and Houston Conwill for the Memorial.

The following persons spoke regarding item (b): Sue Hester; Sue Bierman; and Arnold Townsend.

Ms. Hester and Ms. Bierman noted their concerns regarding: security; the darkness of the granite; and the need for a lighter ambiance.

Mr. Townsend suggested the Agency take steps to see the proposed memorial is exposed to communities who were involved with Dr. King.

In response to an inquiry from Mr. Kitahata regarding the flow of water, Mr. McEwan indicated that the architects have similar concerns and are still working on that aspect of the waterfall.

Mr. Helfeld indicated that a number of significant issues have been raised by the Mayor's Office and modifications will be studied.

President King announced there would be a brief recess. The meeting recessed at 5:30 p.m. and reconvened at 5:35 p.m. with the same roll call.

- (c) Public Hearing to hear all persons interested in a Disposition and Development Agreement with the San Francisco Museum of Modern Art for the development of CB-2 and EB-2 Sites located on the east side of Third Street between Minna and Hunt Streets; Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (c), which requests authorization of a Disposition and Development Agreement with the San Francisco Museum of Modern Art for the development of Central Block 1 Museum Site (Jessie Street Substation) and East Block 2 Museum Site located on the east side of Third between Minna and Hunt Streets, and approving Mario Botta and Hellmuth, Obata & Kassabaum, Inc., as the Architects for the Museum Building in connection with Yerba Buena Center. It is recommended this item be continued to the meeting of December 18, 1990.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 309-90, AND THE PUBLIC HEARING WOULD BE CONTINUED TO THE MEETING OF DECEMBER 18, 1990.

- (d) Public Hearing to hear all persons interested in a Land Disposition Agreement with Taldan Investment Company for development of a parcel located the the northeasterly corner of Fourth and Harrison Streets; Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (d), which requests authorization of a Land Disposition Agreement (LDA) with Taldan Investment Company and Conditional approval of the Schematic Drawings for Parcel 3751-H located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. Subsequent to entering into Exclusive Negotiations in August 1990 for the development of a mixed-use project, including a full service supermarket and approximately 130 residential units, the developer has satisfied all requirements which included submission of: Schematic Drawings; a Memorandum of Understanding with Cala Foods; evidence of equity capital; and an affirmative action program. In addition, the developer has agreed to provide to the Agency 10 percent of the total number of housing units at cost and pursue and develop a program of discount prices and specials for senior citizens and disabled persons in consultation with the Agency and South of Market organizations. The Schematic Drawings submitted are acceptable to staff, subject to resolution of certain design concerns during the Preliminary Construction Documents phase.

The following persons spoke regarding item (d): Stan Smith, San Francisco Building Trades Council; John Elberling, YBG Consortium; Kenneth Goldman and Victor Gonzales, Taldan Investment Company; Rich Sorro, South of Market Employment Center; and Ace Wshington.

Mr. Smith noted his opposition to awarding the LDA to Taldan Investment Company because there is a law suit against the company for not paying City taxes. He also noted his concern regarding: the firm's affirmative action; prevailing wages; and job training.

Mr. Elberling, Mr. Sorro and Mr. Washington noted their support of item (d).

Kenneth Goldman, General Counsel, Taldman Investment Company, indicated that the tax issue is being resolved with the City and the hearing is scheduled for January 4, 1991.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

In response to an inquiry from Ms. Tsen, David Madway, Agency General Counsel, indicated he has discussed the tax case with the City Attorney's Office and it is a normal law suit.

After a discussion between the Commissioners, Mr. Sorro, the Developer and Staff regarding the firm's affirmative action program and hiring goals, it was concluded that those requirements are stipulated in the LDA and will have to be adhered to by the developer.

Mr. Mardikian indicated that although a conflict of interest does not exist because there is not a financial interest involved, he does have a business relationship with Taldan Investment Company and will therefore abstain from discussions and voting on this item.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND CARRIED, WITH MR. MARDIKIAN ABSTAINING, THAT RESOLUTION NO. 306-90 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests approval to amend Resolution 287-90, which authorized a \$140,000 Grant to the Tenderloin Housing Clinic (THC) for rehabilitation of the Jefferson Hotel as part of the City-wide Tax Increment Program, to include a Finding of Benefit for all Redevelopment Project Areas. The Agency has committed a total of \$260,000 in tax increment funds to THC for the rehabilitation of the Sunnyside and Jefferson Hotels, in return for which the owner has agreed to restrict the rents on 141 units for a period of five years and to make them available to persons participating in the General Assistance and Social Security Income Modified Payments Program administered by THC. The Sunnyside Hotel is located within the South of Market Earthquake Recovery Redevelopment Project Area and does not require a benefit finding. However, the Jefferson Hotel is not located within any Redevelopment Project Area and in order to comply with California Community Redevelopment law, the Agency must make a finding that the project will be of benefit to a redevelopment project area because tax increment funds will be used for low income rental housing which is deed restricted for a period of less than fifteen years. The project will benefit Redevelopment Project Areas by providing well managed housing at affordable rents to homeless persons and at-risk of becoming homeless living within all Project Areas.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KITAHATA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-90 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to utilize \$2 million of proceeds from the Agency's recent Tax Increment Bonds issue to redeem an equivalent amount of the 1986 South Beach Harbor debt. As the Commissioners are aware, the revenues generated from the Harbor are not adequate to support the debt which has been created against it and the letter of credit provider for the Harbor bonds, Mitsubishi Bank, has requested efforts be undertaken to begin to reduce this debt to a level which can be supported. This effort began earlier this year with a redemption of \$2 million of the Harbor debt using remaining proceeds from the original issue and staff believes this further reduction is necessary to maintain good faith efforts with Mitsubishi. The letter of credit expires at the end of 1992 and additional reductions of debt will be necessary to ensure the letter of credit is extended and default on the original debt avoided. In this regard, steps are being taken to provide outside capital to the Harbor and increase operating revenues in order to minimize the amount of tax increment revenue which must be used to reduce the debt.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-90 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which is a workshop to discuss a proposed 36 unit Condominium Development by Bart Seidler/FTP Investment Corporation for 2295 Bush Street situated on the southeast corner of Bush and Steiner Streets in the Western Addition A-2. The site is presently being leased to Shell Oil Company by the current owner and the lease runs through April 1994. Mr. Seidler possesses site control through a purchase agreement with the owner and wishes to enter into an Owner Participation Agreement (OPA) with the Agency. The Western Addition Neighborhood Association (WANA) held a special meeting on December 4 to review the proposed project which was attended by the developer and his architect. Concerns were raised with regarding: there being too many condominiums in the area and they are not selling well; the operator of the service station would like to remain in the area and wishes to have an opportunity to purchase the site; how people are going to conveniently get gas and service their cars without the station. As a result of a meeting between Agency Architectural staff and the Developer's Architect, outstanding design issues remain unresolved which center around the fact that the four story project places studio units on each floor at an interior corner with minimal light and exterior exposure which will affect the livability of the units. A redesign to remedy these concerns would affect eight of the thirty-six units. Although the developer appears to be cooperating on Affirmative Action guidelines, proposed modifications to be incorporated in the OPA have not yet been received. If the OPA is approved,

construction would begin in 1994 and the developer has requested Commission approval before the end of the year. However, until the outstanding architectural and design issues are resolved, staff does not recommend approval.

David Cincotta, representing developer, and Martis Wick, Project Architect, made a presentation of the development and design concept.

The following persons spoke regarding item (g): Mary Jane Staymates, WANA; Emily Pimental: Lisa Ringgenberg (for Karen Kitowski); Jim Williams; Jerair Panosian; Janice and Andre Bolaffi; Patrick O'Connor; and K. Starosciak.

Those opposed to the site being developed as condominiums were concerned about: loss of open space; blockage of light; loss of the gas station; and more highrises in a very dense area.

Those who supported the project noted their concerns regarding the noise and traffic the gas station generates.

Ms. Tsen urged the developer to meet with WANA and hear the concerns of residents. She noted that she would support housing rather than the gas station on the site but the density needs to be studied.

Mr. Bagot noted that the project is not scheduled for commencement until 1994 and indicated it should include affordability as Agency policy.

In response to an inquiry from Mr. Mardikian regarding the gas station moratorium, Mr. Madway, Agency General Counsel, indicated he would investigate and report back to the Commission.

President King announced that there will be two Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities with Agency may negotiate with are:

Parcel N, Pier 40 and adjacent Marina in Rincon Point-South Beach with the Port of San Francisco; and

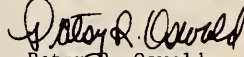
Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Bolanos, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to three Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 7:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

January 8, 1991

SF
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#4
12/18/90

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF DECEMBER, 1990

DOCUMENT

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 770 Golden Gate Avenue in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of December, 1990, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Leroy King, President
Buck Bagot, Vice President
Sonia Bolanos
Haig G. Mardikian
V. Fei Tsen

and the following were absent:

Gary Kitahata (Arrived 4:19 p.m.)
Paul Wartelle

The President declared that a quorum was present.

Edward Helfeld, Executive Director and staff members were also present.

Also present were: Brian McWilliams, ILWU; Doug Gooding, South Beach Yacht Club; Ed Mackin, Marine Engineers Benevolent Association; Mr. Stewart, Disabled Sailing Association; Al Suen, Japanese Community Youth Council; Dehnert Queen, Small Business Development Company; Willys Baird, BRIDGE; Alvin Norman; Ocie Mae Rogers; and Essie Collins.

Representing the press was: Gerald Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) On December 18 at 7:00 p.m. Developer Ou Interests, Inc. and Architects are holding the third in an ongoing series of public presentations to discuss their planned development at the northeast corner of Gough and Geary Streets. The presentation is being held in the Telegraph Hill Room of the Cathedral Hill Hotel.
- (b) The Commissioners have been provided with a letter sent to the Credit Union requesting installation of the new lock and security system be expedited.

- (c) The Commissioners have been provided with a Public Law Bulletin from McDonough, Holland & Allen in regard to Affordable Housing and New Fees on Development Projects. Staff is reviewing these bulletins and will report to the Commission on any affects it may have on Redevelopment.
- (d) A meeting of the Retailers of Bayview Plaza/Third Street Merchants Association and the San Francisco Police Departments was held on December 18 at Bayview Plaza. This meeting was coordinated by Ted Horton of the Plaza and Wil Battle, Agency Community Liaison Officer. The purpose of the meeting was to discuss and develop counter-measures to address the escalation in crime, particularly armed robberies, that have taken place at the Plaza and on Third Street. The meeting was attended by some 25 merchants and retailers and included the anchor tenants of the Plaza. The short range solution to address some of the problems was the immediate initiation of: site security evaluations; and the retailers within the Plaza to begin a "telephone tree" system to alert each other of incidents and to share information. The next meeting of the group is to take place in January at which time long range solutions will be discussed and developed.

UNFINISHED BUSINESS

President King indicated that item (a), Unfinished Business, would be taken up when Mr. Kitahata arrives at the meeting.

Public Hearing to hear all persons interested in a Disposition and Development Agreement with the San Francisco Museum of Modern Art for the development of CB-1 and EB-2 Sites located on the east side of Third Street between Minna and Hunt Streets; Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Disposition and Development Agreement (DDA) with the San Francisco Museum of Modern Art (SFMMA) for the rehabilitation of Central Block 2 (CB-2) Museum Site, Jessie Street Substation, and the development of East Block 2 (EB-2) Museum Site, located on the east side of Third between Minna and Hunt Streets, and approving Mario Botta and Hellmuth, Obata and Kassabaum, Inc., as the architects for the EB-2 Museum Building in Yerba Buena Center. It is recommended this item be continued to the meeting of January 8, 1991.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), UNFINISHED BUSINESS, RESOLUTION NO. 305-90 AND THE PUBLIC HEARING, WOULD BE CONTINUED TO THE MEETING OF JANUARY 8, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS - CONSENT AGENDA

- (a) Authorizing a Fourth Amendatory Agreement which revises the performance dates of the Agreement for Disposition of Land for Private Development with Fillmore Renaissance Associates for Parcel 732-A located at the northeast corner of Fillmore and Eddy Streets; Western Addition A-2.
- (b) Authorizing a Second Amendatory Agreement which revises the Performance Schedule of the Land Disposition Agreement with Sprincin Development Partners IX for the development of Parcels 779-B and 779-C located in the block bounded by Fulton, McAllister and Steiner Streets; Western Addition A-2.
- (c) Authorizing an amendment to the Agreement with Health Care Employees'/Employers' Dental Trust to add Consumer Dental Offices as a Dental Plan Option effective January 1, 1991.
- (d) Authorizing an expenditure of funds to E. Wallace Associates in an amount not to exceed \$11,000 for installation of a Commission Meeting Room Sound System.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS (a) THROUGH (d), RESOLUTION NUMBERS 309-90, 310-90, 311-90 AND 312-90, BE ADOPTED.

NEW BUSINESS - REGULAR AGENDA

President King indicated that item (e) would be taken-up when Ed Makin, Marine Engineers Benevolent Association, arrives at the meeting.

- (f) Mr. Helfeld introduced item (f), which requests authorization to enter into an Agreement with YBG Associates to Memorialize YBG Associates' approval of the San Francisco Museum of Modern Art's (SFMMA) Disposition and Development Agreement (DDA) in connection with Yerba Buena Center. This item is related to item 6 (b), Unfinished Business, and it is requested this item also be continued to the meeting of January 8, 1991.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 314-90, WOULD BE CONTINUED TO THE MEETING OF JANUARY 8, 1991. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Public Hearing to hear all persons interested in a Land Disposition Agreement with Harrison Development, Inc., for the development of a parcel located at the southeasterly corner of Third and Harrison Streets; Yerba Buena Center.

President King opened the Public Hearing to hear all persons interested in this matter.

Mr. Kitahata arrived at this time, 4:19 p.m.

Mr. Helfeld introduced item (g), which requests authorization of a Land Disposition Agreement (LDA) with Harrison Development, Inc. for the development of Parcel 3763-H, located at the southeast corner of Third and Harrison Streets in Yerba Buena Center and Conditionally approving the Schematic Drawings. It is proposed to construct a two-story commercial building of approximately 25,000 square feet containing ground floor neighborhood-serving retail uses with restaurants and office/personal services uses on the upper level. Subsequent to authorization of exclusive negotiations in October 1989, in response to design concerns raised by the community and the Commission, the developer undertook design and marketing studies to evaluate the feasibility of increasing the density of development on the site which resulted in considerable improvement in the design. However, the peculiarities of the site and general market conditions are such that no additional uses could be identified which would clearly support an increase in the density except for the addition of two live-work units which are to be added along Harrison Street. As part of the community benefits package and to assure provision of the services customarily available in neighborhood shopping areas and reflecting the ethnic composition of the neighborhood, the LDA provides for: reservation for six months of at least 7,500 square feet for neighborhood serving business, including a market specializing in Asian food products; use of best efforts to secure bilingual operators to serve ethnic populations in the immediate vicinity; and development of a program of discount prices for senior and disabled persons. In addition to containing Agency's Affirmative Action requirements, the LDA provides for the Developer to coordinate its affirmative action and permanent hiring programs through the South of Market Employment Center. The performance schedule calls for submission of evidence of financing by September 11, 1991; conveyance of the site by March 11, 1992; and completion of construction within fifteen months after conveyance. Staff finds the Schematic Drawings submitted acceptable subject to the resolution of certain design concerns during the Preliminary Documents Phase.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 315-90 BE ADOPTED.

UNFINISHED BUSINESS

President King indicated that item (a), Unfinished Business, would now be taken-up:

- (a) Mr. Helfeld introduced item (a), which requests authorization to Amend the Option/Lease Agreement between the Agency and the Port of San Francisco (Port) in order to pay back rents due the Port in connection with Parcel N-2, South Beach Harbor, in Rincon Point-South Beach. The Option/Lease Agreement for the South Beach Harbor Complex comprises several physical areas including: Pier 40 (N-1) and the South Beach Harbor (the Marina) (N-2). It should be understood that the back rents due are only for the Harbor (Marina) (N-2) which area has been occupied by the Agency since December 1984. It is not to pay any rents for Pier 40 (N-1) which was not occupied by the Agency until June 1990. It should also be noted that there is a rent credit on Pier 40 based on the of costs attributed to the relocation of Service Engineering and the proposed cost of repair to Pier 36 and that no payments will be made on Pier 40 until such time as the rent credit is exhausted. The lease for the South Beach Harbor, which was signed in December 1984, provides that the Agency take possession of the entire Pier 40 within five years of the signing of the lease in order for any rent to be due the Port from the South Beach Harbor leased area. Agency Counsel has advised that, to permit payment of the back rents in an approximate amount of \$470,000, the Lease Agreement needs to be revised to extend the time period. Funds are available from the South Beach Harbor Operations Budget to pay this rent. On November 20, 1990, the Port Commission approved proposed amendment to the agreement which will also require approval by the Board of Supervisors.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 286-90 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests conditional approval of the Preliminary Construction Documents (PCD's) for the Esplanade in the Yerba Buena Gardens of Yerba Buena Center. The PCD's presented at a workshop on December 11 successfully addressed several issues raised at an October 30 design progress workshop including the enrichment of paving on the upper terrace, the softening of the fountain ramp walls and the use of color in the project's architectural treatments and plant materials. The December 11 workshop and associated design sessions focused on the need for further development of the central fountain and on the integration of the Esplanade with the CB-2 retail project. These issues will be addressed early in the Final Construction Documents phase of work to be reviewed by the Commission early in February 1991. Approval of the PCD's will allow important coordination issues to be concluded with the Moscone Convention Center expansion project which is rapidly approaching construction of the roof slab on which the garden will rest. The Final Construction Documents for the Esplanade will be completed and bid in June 1991 with completion coinciding with that of the cultural buildings and East Garden in October 1992. The architects have indicated that their PCD cost estimate shows that the project can be built within the

\$38,630,000 allocated to the Esplanade as part of the overall YBG Budget.

In response to Commissioners' concerns, Mr. Helfeld indicated that approval of the PCD's does not endorse the Martin Luther King, Jr. Memorial or the water and stones for the fountain which must come back to the Commission for approval.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-90 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests selection of the Architect for the Children's Facilities on Central Block 3 in Yerba Buena Center. It is requested this item be continued.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (i), RESOLUTION NO. 317-90, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (j) Public Hearing to hear all persons interested in a Land Disposition Agreement with Fillmore Market Place Associates for a parcel located on the northwest corner of Webster and Ellis Streets; Western Addition A-2.

Mr. Helfeld introduced item (j), which requests authorization of a Land Disposition Agreement with Fillmore Market Place Associates for the parcel located on the west side of Webster Street between Eddy and Ellis Streets in the Western Addition A-2. It is recommended this item be continued to January 15, 1991 and a workshop be held at the meeting of January 8, 1991.

President King indicated that he does not believe a workshop is necessary.

RULE OF THE CHAIR: PRESIDENT KING INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 318-90, WOULD BE CONTINUED TO THE MEETING OF JANUARY 15, 1991. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

President King indicated that item (e) would now be taken up:

- (e) Mr. Helfeld introduced item (e), which requests support of a Community Sailing Program at the South Beach Harbor in Rincon Point-South Beach. The Agency has been requested by several organizations to support the development of a Community Sailing Program as a step towards forming a broad community program to provide access to the water for disabled sailors, sailing instruction for the disadvantaged and other City youth. It is the intention of the groups to develop and support a Community Sailing Program on San Francisco Bay using the South Beach Harbor facilities and Agency support is being requested by: endorsing the use of a single berth at the Harbor free of charge

for a specially adapted sail boat for access by the disabled; providing space either on Pier 40 or elsewhere in the Harbor basin for storage of up to 12 El Toro Boats for use with the Youth Sailing Program; and continued cooperation with the program as it progresses and expands. Sponsors of the program include: ILWU, Local 34; the South Beach Yacht Club; the Marine Engineers Benevolent Association; the Disabled Sailing Association; the Port of San Francisco; and the Recreation and Parks Department who will provide different contributions to the program. Until a full time person is hired, three individuals from the sponsoring organizations will be coordinating the program. The Agency's financial obligation at this time would be very minimal and staff believes this program is a worthwhile endeavor which deserves the Agency's support.

The following persons requested approval of item (e): Brian McWilliams, ILWU; Doug Gooding, South Beach Yacht Club; Ed Mackin, Marine Engineers Benevolent Association; Mr. Stewart, Disabled Sailing Association; and Al Suen, Japanese Community Youth Council.

In response to an inquiry from Mr. Mardikian, David Madway, Agency General Counsel, indicated he would examine the insurance coverage to determine the Agency's liability exposure.

ADOPTION: IT WAS MOVED BY MR. KITAHATA, SECONDED BY MS. BOLANOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 313-90 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization of an Interim Loan to BRIDGE Housing Corporation for \$147,555 to pay a tax credit reservation fee for Site K, bounded by King Street, Townsend Street and the Embarcadero in Rincon Point-South Beach. BRIDGE has received funding commitments from State programs for Below-Market Financing and for a reservation of Federal Low Income Housing Tax Credits and construction if scheduled to begin by June 1991. However, to reserve the tax credits allocated to the project BRIDGE must pay a reservation fee of \$147,555 by December 24, 1990 and BRIDGE has requested an interim loan which would be secured by the tax credits and repayment would occur upon receipt of syndication proceeds from the sale of the tax credits. Since BRIDGE has been successful in commitments from these funding programs they will be able to rent all of the units in the project to very low income households. Funds for the loan request will come from the Agency's Tax Increment Housing Fund.

Dehnert Queen, Small Business Development Company, requested item (k) be continued and consideration be given to a proposal by his company to develop this site.

Willys Baird, BRIDGE, requested approval of item (k).

Mr. Helfeld indicated that, although Mr. Queen's long-ranged proposal is interesting, there is a deadline of December 24, 1990 for payment of the reservation fee in order to secure the tax credits and he would want to put that at risk.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 319-90 BE ADOPTED.

COMMISSIONERS' QUESTIONS AND MATTERS

- (a) Ms. Bolanos reported on a meeting held by the Economic Development Sub-Committee (Commissioners Bolanos, Kitahata and Wartelle) with Mayor Agnos, Deputy Mayors Brad Paul and James Ho to discuss the Agency's potential role as a public developer for the City.

Mr. Kitahata indicated specific issues had been discussed, namely, Hunters Point Shipyard; the Embarcadero; Mission Bay; and the Sears site. He believed the Agency needs to demonstrate that it can take a leading role and should try to establish a record.

Ms. Bolanos urged staff to come up with innovative ways to put more projects together and move forward on the matters that have been suggested.

Mr. Bagot noted his concern that the Agency has enough staff to take on a heavier workload and suggested staff talk to MEDA and people in the Mission that could do some of this work. Mr. Helfeld indicated that, if necessary, additional staff and/or consultants would be requested. Staff hopes to respond with creative ideas but, at the same time needs to ensure efforts are not being duplicated by what others are doing in the City.

- (b) In response to an inquiry from Ms. Bolanos, Leamon Abrams, Chief, Economic Development, indicated a Third Street Corridor Committee has been formed to select consultants and a decision is expected within the next two weeks. Written information on the consultants and their teams will be provided to the Commission.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Alvin Norman indicated that tax increment funds are needed in Bayview/Hunters Point and the Western Addition.
- (b) Dehnert Queen, Small Business Development Corporation, inquired regarding the nature of the Closed Sessions to be held and President King indicated that any further information, other than that listed on the agenda, could not be disclosed.

Minutes of a Regular Meeting, December 18, 1990

President King announced that there will be four Closed Sessions pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. Property locations and entities the Agency may negotiate with are:

Parcel N, Pier 40 and adjacent Marina in Rincon Point-South Beach with the Port of San Francisco; and

Pier 42 Bulkhead Building in Rincon Point-South Beach with Hilborn Hoover; and

Central Blocks 1, 2 and 3 and East Block 2 in the Yerba Buena Gardens of Yerba Buena Center with YBG Associates; and

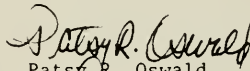
Parcels located between Fillmore, Geary, Steiner and Turk Streets and a vacated portion of Ellis Street between Fillmore and Steiner Streets in the Western Addition A-2 with Fillmore Center Associates.

There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Bolanos, and unanimously carried that the meeting be adjourned to four Closed Sessions on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 5:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

January 29, 1991



